

**Rent Assessment Committee: Summary reasons for decision.
Rent Act 1977****Address of Premises**

Newbridge Cottage
Newbridge
Callington
Cornwall PL17 7HL

The Committee members were

Mr D G Willis (Chairman)
Mr E R Distin FRICS
Dr C W Gronow

1. Background

On 1 May 2003 the landlord applied to the rent officer for registration of a fair rent of £450 per calendar month for the above property.

The rent payable at the time of the application was £245 per calendar month.

The rent was previously registered on 22 March 2001 with effect from 14 March 2001 at £245 per calendar month following a determination by the rent assessment committee.

On 3 June 2003 the rent officer registered a fair rent of £315 per calendar month with effect from that date.

By a letter dated 11 June 2003 the landlord objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

2. Inspection

On inspection the property was found to be situated at the bottom of a steep sided valley immediately adjoining the busy main road between Liskeard and Callington (A390).

There is a hard standing outside the front door. There is gated access to the garden situated on three sides of the property which gives access to various outbuildings used for storage and a detached dilapidated one which could be used as a garage. The

garden consists mostly of lawn which has to be crossed to gain access to the various outbuildings. There was no solid continuous path.

On the ground floor are two reception rooms and at the rear of these a lean-to which provided a larder, lobby, kitchen and dining area. Upstairs were originally three bedrooms (but the removal of a partition between two of the bedrooms made one large bedroom) and a bathroom/wc.

On 28 July 2003 the Committee found it to be in fair condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

The cast iron guttering and down pipes have been replaced with plastic, the defective rendering has been repaired, the majority of the windows have been replaced with double glazed units, and the exterior painted. The exterior storeroom has been re-roofed and window replaced.

Internally the property had been re-wired. However there was evidence of dampness throughout.

3. Evidence

The Committee received written representations from the landlord and/tenant and these were copied to the parties.

A hearing was held on 28 July 2003 at the property at which oral representations were made by and on behalf of the tenant. The landlord was not present or represented.

At the hearing Captain Clouting representing the Tenant confirmed the Landlord's costs of £12,106 for the repairs to the property benefited the property. However he considered the cost of re-roofing and repairs to the outside storeroom should be disregarded as this was of no benefit to the Tenant.

He also stated that there was now no charge to the Landlord for the continued use of the water supply to the property or for the use of the septic tank.

He considered the Rent Officer's figure for the rent to be fair and reasonable. He was concerned that the Local Authority may not pay the rent if there was a substantial increase.

4. The law

When determining a fair rent the Committee, in accordance with the Rent Act 1977, section 70, had regard to all the circumstances including the age, location and state of repair of the property. It also disregarded the effect of (a) any relevant tenant's improvements and (b) the effect of any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the property.

In *Spath Holme Ltd v Chairman of the Greater Manchester etc. Committee* (1995) 28 HLR 107 and *Curtis v London Rent Assessment Committee* [1999] QB 92 the Court of Appeal emphasised

- (a) that ordinarily a fair rent is the market rent for the property discounted for 'scarcity' (i.e. that element, if any, of the market rent, that is attributable to there being a significant shortage of similar properties in the wider locality available for letting on similar terms - other than as to rent - to that of the regulated tenancy) and
- (b) that for the purposes of determining the market rent, assured tenancy (market) rents are usually appropriate comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

5. Valuation

Thus in the first instance the Committee determined what rent the landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such an open market letting. It did

this by having regard to the evidence supplied by the parties and/the Committee's own general knowledge of market rent levels in the area of Callington and the surrounding rural area. Having done so it concluded that such a likely market rent would be £110 per week.

However, the actual property is not in the condition considered usual for a modern letting at a market rent as there was no central heating and there was considerable damp. Therefore it was first necessary to adjust that hypothetical rent of £110 per week to allow for the differences between the condition considered usual for such a letting and the condition of the actual property as observed by the Committee (disregarding the effect of any disrepair or other defect attributable to the tenant or any predecessor in title). The Committee considered that this required a deduction of £19 per week.

The value of the Tenant's improvements listed in the Rent Officer's report were considered now to be minimal and no deduction made in respect thereof.

Bearing in mind the Tenant's obligations under the terms of the tenancy an allowance of £9 should be made against the rent.

The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity.

The calculation is as follows:-

	Market rent	£110 per week
<u>Less</u>	Landlord's disrepair	£19
	Tenant's obligations	<u>£ 9</u>
		<u>£ 28</u>
		<u>£ 82</u> per week or £355 p.c.m.

This leaves a net market rent for the subject property of £355 per calendar month

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £355 per calendar month.

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 because by virtue of landlord's repairs and/or improvements since the previous registration the rent determined by the Committee exceeds by at least 15% the previous registered rent.

Accordingly the sum of £355 per calendar month will be registered as the fair rent with effect from 28 July 2003 being the date of the Committee's decision.

Chairman



Dated



This document contains a summary of the reasons for the Rent Assessment Committee's decision. If either party requires extended reasons to be given, they will be provided following a request to the committee clerk at the Panel Office which must be made within 21 days from the date of issue of this document.