

## **Rent Assessment Committee: Summary reasons for decision. Rent Act 1977**

### **Address of Premises**

First & Second Floors  
5A Heather Park Parade  
Heather Park Drive  
Wembley  
Middlesex HA0 1SL

### **The Committee members were**

Mr J H Rosen LLB  
Mr D Levene OBE MRICS  
Mrs S S Friend MBE JP

### **1. Background**

On 2 August 2004 the landlord applied to the rent officer for registration of a fair rent of £165 per week for the above property.

The rent payable at the time of the application was £335 per month.

The rent was previously registered on 20 April 2000 with effect from the same date at £335 per month following a determination by the rent officer.

On 23 August 2004 the rent officer registered a fair rent of £385 per month from that date.

By a letter dated 8 September 2004 the landlord objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

### **2. Inspection**

The Committee inspected the property on 22 November 2004 and found it to be in fair condition.

The following tenant's improvements had been made to the property.  
New front door, kitchen fittings, gas fire, new taps in bathroom.

### **3. Evidence**

The Committee received written representations from the landlord and the tenant and these were copied to the other party.

A hearing was held on 22 November 2004 at 10 Alfred Place at which oral representations were made by the landlord and the tenant.

### **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 Alperton. Having done so it concluded that such a likely market rent would be £1000 per month.

However, the actual property is not in the condition considered usual for a modern letting at a market rent. Therefore it was first necessary to adjust that hypothetical rent of £1000 per month 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) and to allow for the tenant's improvements. The Committee considered that this required a deduction of £300 per month.

This leaves an adjusted market rent for the subject property of £700 per month.

The Committee found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 25% from the market rent to reflect this element.

## **6. Decision**

The uncapped fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £525 per month.

However, by virtue of the Rent Acts (Maximum Fair Rent) Order 1999 the maximum fair rent that can be registered in the present case is the lower sum of £387.50 per month (Details are provided on the back of the decision form).

**Accordingly the sum of £387.50 per month will be registered as the fair rent with effect from 22 November 2004 being the date of the Committee's decision.**

Chairman: J H Rosen

Dated: 22 November 2004

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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 written request to the committee clerk at the Panel Office which must be made within 28 days from the date of issue of this document.

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