

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

91b Old Dover Road
Canterbury
Kent
CT1 3PG

The Committee members were

Mr. R. Norman (Chairman)
Mr. R. Athow FRICS MIRPM
Ms. L. Farrier

1. Background

On 15th December 2004 the landlord applied to the rent officer for registration of a fair rent of £425 per calendar month for the above property.

The rent payable at the time of the application was £330 per calendar month.

The rent was previously registered on 12th March 2003 with effect from the same date at £330 per calendar month following a determination by the rent officer.

On 14th February 2005 the rent officer registered a fair rent of £365 per calendar month with effect from 12th March 2005.

By a letter dated 19th February 2005 the tenant 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 14th April 2005 and found it to be in poor condition (disregarding the tenant's improvements). The property is a self-contained purpose built flat with two rooms, a kitchen and a bathroom with wc. Outside there are gardens which the tenant maintains but as far as we are aware they are not included in the tenancy. There is also a detached garage. The flat has metal framed windows. The landlord has provided two storage heaters and the tenant has installed a gas fire. Carpets, curtains and white goods belong to the tenant. Outside decoration is required.

The following tenant's improvements had been made to the property. The tenant has replaced the bathroom suite and has added a wash basin; has fitted out the kitchen where originally there was just a white sink and has repaired the garage.

3. Evidence

No written representations were received from either party.

A hearing was held on 14th April 2005 at Canterbury at which oral representations were made by the tenant. The landlord was not present or represented.

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 Canterbury and East Kent. Having done so it concluded that such a likely market rent would be £450 per calendar 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 £450 per calendar 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). The Committee considered that this required a deduction of £80 per calendar month.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £25 per calendar month.

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

This leaves a net market rent for the subject property of £345 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £345 per calendar month.

The section 70 fair rent determined by the Committee is below the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that rent limit has no effect. Details are provided on the back of the decision form.

Accordingly the sum of £345 per calendar month will be registered as the fair rent with effect from 14th April 2005 being the date of the Committee's decision.

Chairman

A. Nnamani

Dated

14.04.05

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.