

Rent Assessment Committee: Summary reasons for decision.

RENT ACT 1977

Address of Premises

26 Arlington House
Stall Street
Bath
BA1 1QN

The Committee members were

Mr. J. S. McAllister FRICS
Mrs. M. Hodge BSc (Hons) MRICS
Mr. C. H. Thompson

1. Background

On the 12th March 2003 the landlord applied to the Rent Officer for a registration of a fair rent of £12750 per annum for the above property.

The rent payable at the time of the application was £5100 per annum (including services).

The rent was previously registered on the 3rd November 2000 with effect from the same date at £5100 per annum including services at £457.87 per annum following a determination by the Rent Officer.

On the 10th April 2003 the Rent Officer registered a fair rent of £5568.50 per annum including £683.34 per annum in respect of services with effect from that date.

By a letter dated 10th May 2003 the landlord's Agent 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 the 30th July 2003 and found it to be in reasonable condition for its age and character (as described more particularly in the Rent Officer's survey sheet which had been copied to the parties). Briefly the property comprised a third floor two bedroom flat in a terraced block of about 34 flats in the centre of Bath.

The property was apparently in a Grade II Listed Building. Some windows were in need of repair and there was some residual damp staining internally due to a former flat roof leak.

The following tenant's improvements had been made to the property:-

Modern kitchen units, modern bathroom suite and shower unit. Wall tiling in the bathroom etc., fitted wardrobes, some shelving and partial rewiring.

3. Evidence

The Committee received written representations from the landlord and tenant and these were copied to the parties, however, these representations did not give any indication as to the parties own opinion of the fair rent of the property.

Neither party requested a Hearing at which oral representations could be made.

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).

The Committee also has to have regard to the Rent Acts (Maximum Fair Rent) Order 1999 where applicable. Most objections to and determination of registered rents are now subject to the Order, which limits the amount of rent that can be charged by linking increases to the Retail Price Index. It is the duty of the Rent Assessment Committee to arrive at the fair rent under Section 70 of the Act but in addition to calculate the maximum fair rent which can be registered according to the rules set out in the Order. If that maximum fair rent is below the fair rent as calculated as above, then that (maximum) sum must be registered as the fair rent for the subject property.

5. Valuation

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 Committee's own general knowledge of market rent levels in the area of Bath.

Having done so it concluded that such a likely market rent would be £7200 per annum (£600 per calendar month) exclusive of services, Council Tax and rates.

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 £7200 per annum 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 total deduction of £1030 per annum (£85.83 per month). This related to the condition, position and character of the property, lack of central heating, lack of fitted carpets, curtains and white goods, and the tenant's decorating liability. The Committee also took into account the fact that the two lifts to the property were not in regular working order.

Furthermore, to allow for the tenant's improvements (listed above) the Committee decided that it was correct to make a further deduction of £260 per annum (£21.67 per month).

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

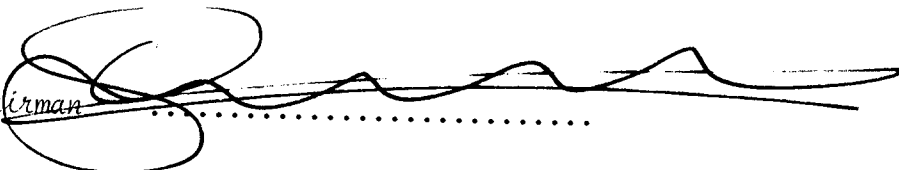
This leaves a net market rent for the subject property of £5910 per annum (£492.50 per calendar month) to which the sum of £630.04 per annum (£52.50 per calendar month) in respect of services should be added. Here the Committee accepted the landlord's figure as provided in their written representations.

6. Decision

The fair rent initially determined by the Committee, for the purposes of Section 70, was accordingly £6540 per annum inclusive of £630.04 per annum in respect of services.

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 £5634 per annum (£469.50 per calendar month) inclusive of services. (Details are provided on the back of the decision form).

Accordingly the sum of £5634 per annum inclusive of services of £630.04 per annum will be registered as the fair rent with effect from 30th July 2003 being the date of the Committee's decision.

Chairman 

Dated 14 AUG. 2003.....

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Stall Street
Bath
BA1 1QN

The Committee members were

Mr J S Mc Allister FRICS
Mrs M Hodge BSc (Hons) MRICS
Mr C G Thompson

1. Background

On 12th March 2003 the landlord applied to the rent officer for registration of a fair rent of £12,750 per annum for the above property.

The rent payable at the time of the application was £5100 per annum (including services)

The rent was previously registered on 3rd November 2000 with effect from the same date at £5100 per annum including services at 457.87 per annum following a determination by the rent officer.

On the 10th April 2003 the rent officer registered a fair rent of £5568.50 per annum including £683.34 in respect of services, with effect from that date.

By a letter dated 10th May 2003 the landlord's Agent 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 the 30th July 2003 and found it to be in reasonable condition for its age and character as described more particularly in the Rent Officer's survey sheet which had been copied to the parties. Briefly the property comprised a third floor two bedroom flat in a terraced block of about 34 flats in the centre of Bath.

The property was apparently in a Grade II Listed Building. Some windows were in need of repair and there was some residual damp staining internally due to a former flat roof leak.

The following tenant's improvements had been made to the property:-

Modern kitchen units, modern bathroom suite and shower unit. Wall tiling in bathroom etc.. fitted wardrobes, some shelving and partial rewiring.

3. Evidence

The Committee received written representations from the landlord and tenant and these were copied to the parties, however these representations did not give any indication as to the parties own opinion of the fair rent of the property.

Neither party requested a hearing at which oral representations could be made.

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 Committee's own general knowledge of market rent levels in the area of Bath. Having done so it concluded that such a likely market rent would be £7200 per annum (£600 pcm) exclusive of services, council tax and rates.

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 £7200 per annum 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 total deduction of £1030 per annum (£85.83 per month). This related to the condition, position and character of the property, lack of central heating, lack of fitted carpets, curtains and white goods, and the Tenants decorating liability. The Committee also took into account the fact that the two lifts to the property were not in regular working order.

Furthermore, to allow for the tenant's improvements (listed above) the Committee decided that it was correct to make a further deduction of £260 per annum (£21.67 per 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 £5910 per annum (£492.50 pcm) to which the sum of £630.04 per annum (£52.50 pcm) in respect of services should be added. Here the Committee accepted the Landlords figure as provided in their written representations.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £6540 per annum inclusive of £630.04 per annum in respect of services.

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 £5634 per annum inclusive of services. (Details provided on the back of the decision form).

The section 70 fair rent determined by the Committee is below/at the same level as 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 £5634 per annum inclusive of services of £630.04 per annum will be registered as the fair rent with effect from 30th July 2003 being the date of the Committee's decision.

Chairman Mr J S McAllister

Dated 14th August 2003

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.