

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

Address of Premises

Venton Vean, Gluvian
Mawgan Porth, Newquay
Cornwall
TR8 4BG

The Committee members were

Mr D Sproull LLB (Chair)
Mr A J Lumby BSc FRICS
Mr M T Creek MBE

1. Background

On 2nd September 2003 the landlord applied to the Rent Officer for registration of a fair rent of £400.00 per **lunar** month for the above property.

The rent payable at the time of the application was £334.00 per **lunar** month.

The rent was previously registered on 23rd ^{January 2} ~~March~~ 2000 with effect from the 1st ^{4th December} ~~May~~ 2000 at £334.00 per **lunar** month following a decision of the Rent Assessment Committee.

On ~~the~~ 1st October 2003, the Rent Officer registered a fair Rent of £381.75 per **lunar** month from 4th December 2003. In a letter dated 31st October 2003, the Landlord's Representative objected and the matter was referred to a Rent Assessment Committee.

2. Inspection

The Committee inspected the property on 25th November 2003 and 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 Committee also took note of the tenant's improvements as specified on the survey sheet. The Committee noted that since its last inspection a number of the double glazed units had been replaced as had the toilet and there had been repair work carried out to the concrete path outside the external door.

3. Evidence

The Committee received written representations from both parties which were copied to the other. 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 representations from the landlord, the Committee's own general knowledge of market rent levels in the area of Newquay and Cornwall. Having done so it concluded that such a likely market rent would be £110.00 per week.

To allow for the tenant's improvements (listed on the survey sheet) it was necessary to make a deduction of £11.53 per week and a further deduction of £7.85 per week in respect of the tenant's obligations for internal decoration making a total deduction of £19.38 per week.

The Landlords had submitted details of two comparable properties and the Committee had the benefit of local press advertisements and their own knowledge and experience. On that basis they assessed the fair rent at £90.62 per week rounded up to £91.00 per week.

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

This leaves a net market rent for the property of £91.00 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of Section 70, was accordingly £91.00 per week.

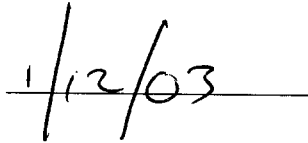
The Section 70 fair rent determined by the Committee is below the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that rent limit has no effect. (Details are provided on the back of the decision form).

Accordingly the sum of £91.00 per week will be registered as the fair rent with effect from 4th December 2003.

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