

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

Address of Premises

103 Dolcoath Road
Camborne
Cornwall
TR14 8RP

The Committee members were

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

1. Background

On 1st September 2003 the landlord applied to the Rent Officer for registration of a fair rent of £350.00 per calendar month for the above property.

The rent payable at the time of the application was £290.00 per calendar month.

The rent was previously registered on 23rd ^{5th November} July 2001 with effect from the 23rd ^{5th November} August 2001 at £285.00 ²⁹⁰ per calendar month following a decision of the Rent Assessment Committee. On 24th September 2003 the Rent Officer registered a fair rent of £310.00 per calendar month with effect from 5th November 2003. By a letter dated 15th October 2003 the Landlord's Representatives (Bocad) to the Rent Officer (Bocad) and the matter was referred to the 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 noted all the tenant's improvements as listed on the survey sheet.

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 Camborne and Cornwall. Having done so it concluded that such a likely market rent would be £85.00 per week.

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 £85.00 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 this required a deduction of £2.00 per week.

Furthermore, to allow for the tenant's improvements (listed on the survey sheet) it was necessary to make a further deduction of £3.00 per week

And furthermore there should be a deduction of £7.85 per week in consideration of the tenant's internal decoration obligations.

The total deductions from the market rent therefore amounted to £12.85 per week.

The Landlords agents had submitted two comparable properties and the Committee had the benefit of local press advertisements and their own knowledge and experience.

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 £72.15 per week or £312.65 per calendar month which the Committee rounded up to £313.00 per calendar month

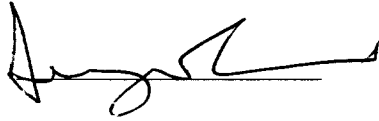
6. Decision

The fair rent initially determined by the Committee, for the purposes of Section 70, was accordingly £313.00 per calendar month.

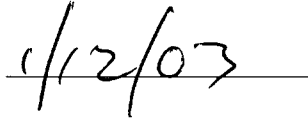
The Section 70 fair rent determined by the Committee is below the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that rent limit has no effect. (Details are provided on the back of the decision form).

Accordingly the sum of £313.00 per calendar month will be registered as the fair rent with effect from 25th November 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