

**Rent Assessment Committee: Summary reasons for decision.
Rent Act 1977****Address of Premises**

84 Royal Military Avenue
Folkestone
Kent
CT20 3EJ

The Committee members were

Mr I W Collins FRICS IRRV
Mr R Athow FRICS MIRPM
Ms L Farrier

1. Background

On the 2nd July 2003 the landlord applied to the rent officer for registration of a fair rent of £390 per month for the above property.

The rent was previously registered on 28th September 2001 with effect from the same date at £74 per month following a determination by a rent assessment committee.

On the 12th August 2003 the rent officer registered a fair rent of £76 per month with effect from that date.

By a letter dated the 20th August 2003 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 25th September 2003 and found it to be in fair condition only as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

The tenant has completed a number of works over the last 20 years including replacement windows and doors, kitchen and bathroom fittings. The landlord installed central heating, rewired and a damp proof course to the front of the house in the early 1990's.

3. Evidence

The Committee received written representations from the landlords agent and these were copied to the parties. No written representations were received from the tenant.

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 east Kent. Having done so it concluded that such a likely market rent would be £420 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 £420 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). The Committee considered that this required a deduction of £63 per month.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £12 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 £345 per month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £80 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 £80 per week will be registered as the fair rent with effect from the 25th September 2003 being the date of the Committee's decision.

Chairman Signed
 Mr I W Collins FRICS IRRV

Dated 25th September 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.