

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

Address of Premises

1 Gover Valley,
St.Austell
PL25 5RB

The Committee members were

R Batho MA BSc LLB FRICS (Chairman)
A J Lumby BSc FRICS
Miss C Rai

1. Background

On 6th January 2006 the Landlord's Agents, Graham Lee Property Management Ltd applied to the rent officer for registration of a fair rent of £120.00 per week for the above property. The rent was previously registered on 6th April 2004 with effect from the same date at £47.00 per week following a determination by the Rent Assessment Committee.

On 17th February 2006 the rent officer registered a fair rent of £51.50 per week with effect from 6th April 2006. By a letter dated 24th February 2006 the landlord's agents 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 28th March 2006 and found it to be in poor condition, despite works done by the landlord and tenant. There have been no substantial works carried out since the last registration, the only works having been the replacement of two upper floor windows by the landlord, works which do not appear to the Committee to comply with current regulations. There are signs that the timber bridge giving access to the property has deteriorated, and may be approaching the point where it becomes unsafe.

The following tenant's improvements had been made to the property: the tenant has made improvements to the property over the years, as listed on the Rent Officer's survey sheet.

3. Evidence

The Committee received written representations from the landlord's agents and these were copied to the tenant. The tenant telephoned to say she would not be replying in writing but would await the Committee's visit. Neither party requested a hearing.

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 mid Cornwall, and concluded that such a likely market rent would be £120.00 per week.

The committee considered that it would not be possible to re-let the property on normal terms in its present condition, but concluded that someone might be found who would make a payment "for a roof over their heads" of not more than £60.00 per week. Putting the property into the normal lettable condition referred to above would involve very considerable expenditure, such that the committee would have reservations over the economic viability of the project.

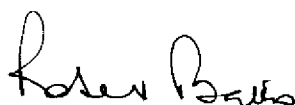
The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity. This leaves a net market rent for the subject property of £60.00 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £60.00 per week.

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 £51.50 per week (Details are provided on the back of the decision form).

Accordingly the sum of £51.50 per week will be confirmed/registered as the fair rent with effect from 6th April 2006.



Chairman

R Batho MA BSc LLB FRICS

Dated 28th March 2006

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.