

**Rent Assessment Committee: Reasons for decision.
Rent Act 1977**

Address of Premises

15 HOLLYOAKE CRESCENT
WOKING
SURREY
GU21 4PN

The Committee members were

Mr D Agnew LLB LLM
Mr D Lintott FRICS
Ms J K Morris

1. Background

On 15th May 2006 the landlord applied to the rent officer for registration of a fair rent of £1,800 per calendar month for the above property.

The rent payable at the time of the application was £602 per calendar month.

The rent was previously registered on 2nd July 2004 with effect from the same date at £602.00 per calendar month following a determination by a rent assessment committee.

On 13th July 2006 the rent officer registered a fair rent of £667.50 per calendar month with effect from that date.

By a letter dated 26th July 2006 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 24th August 2006 and found it to be in poor condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

3. Evidence

The Committee received written representations from the landlord and tenant and these were copied to the parties

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 evidence supplied by the parties and the Committee's own general knowledge of market rent levels in the area of Woking. Having done so it concluded that such a likely market rent would be £950 per calendar month.

The Committee considered that there is currently a good supply of properties to rent from which prospective tenants can choose. In the main those properties are equipped and finished to a high standard reflecting the tenants' demands. Consequently if properties are not of such a standard they are unlikely to be let in the current market without a substantial discount reflecting their deficiencies.

It was therefore first necessary to adjust that hypothetical rent of £950.00 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 £280.00 per month.

The following deductions have therefore been made with these considerations in mind.

	£ per month
No carpets, curtains, white goods	£ 72.00
Tenant's internal decorating responsibility	£ 50.00
Poor kitchen and bathroom	£ 98.00
External condition	£ 60.00
	=====
	£280.00

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 £670.00 per calendar month.


6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £670 per calendar month.

The section 70 fair rent determined by the Committee is 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 £670 per calendar month will be registered as the fair rent with effect from 24th August 2006 being the date of the Committee's decision.

Chairman


Mr D Agnew LLB LLM

Dated

24th August 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.