

Rent Assessment Committee: Reasons for decision.
Rent Act 1977

Address of Premises

5 Lexby Road
Totton
Southampton
SO40 9HB

The Committee members were

M J Greenleaves Chairman
Mr D Lintott FRICS
Mrs C Newman JP

Background

1. On 14th March 2006 the Landlord applied to the Rent Officer for registration of a fair rent of £1,165 per calendar month for the above property.
2. The rent payable at the time of the application was £389.00 per calendar month being the rent previously registered on 6th April 2004 with effect from that date following a determination by the Rent Assessment Committee.
3. On 12th April 2006 the Rent Officer registered a fair rent of £425 with effect from the same date.
4. By a letter dated 25th April 2006 the Landlord objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

Inspection

5. The Committee inspected the property on 13th June 2006 and found it to be in fair condition for its age and character. It noted that Lexby Road is not a cul-de-sac
6. The property comprises a brick built part pebbledash rendered semi-detached dwelling with 3 bedrooms, 2 living rooms, kitchen (use of which is adversely affected by the staircase) and bathroom, with a lean-to conservatory to the rear which encloses the old outside WC and store. There are gardens at the front and rear of the property, with a garage to the side.
7. The Property is single glazed but centrally heated throughout. The windows are in poor condition and the property is in need of external decoration.
8. The following tenant's improvements had been made to the property:
 - a) Wiring throughout; the Tenant had done this about 30 years ago prior to which there had been no electricity
 - b) Loft and cavity insulation;
 - c) Kitchen cupboards and white goods.
 - d) The conservatory and garage
 - e) All fences.

Evidence

9. Neither party requested a hearing at which oral representations could be made.
10. The Committee received written representations from the landlord and these were copied to the Tenant.
11. In their letter dated 6th June 2006 the Landlord's agents, Hamways, submitted evidence of rentals in Andover and on that basis that the subject property would realise a rental income in excess of the Rent Officer's valuation.

Consideration

12. When determining a fair rent the Committee, in accordance with the Rent Act 1977, s.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.
13. 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 market rent comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property)

Valuation

14. Thus in the first instance the Committee determined what rent the landlord could reasonably be expected to obtain in the open market if it were let today in the condition that is considered usual for such an open market letting. It did not consider the Landlord's evidence was of assistance as the comparables submitted were geographically remote from the subject property. In the absence of appropriate comparables the Committee's used its own general knowledge of market rent levels in the area of Southampton.
15. Having taken all those matters into account it concluded that a likely market rent would be £685 per calendar month.
16. 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 £685 per month to allow for the differences between the condition considered usual for such a letting and the condition of the actual property provided by the Landlord as observed by the Committee (disregarding the effect of any disrepair or other defect attributable to the tenant or any predecessor in title and also disregarding tenant's improvements referred to above). The Committee considered that these required deductions totalling £249 per calendar month as follows:

Item	Deduction £
Kitchen, bathroom	68
Carpets, curtains, white goods	54
Electrical installation	40
Internal decorations	37
Disrepair – windows and exterior	50
Total	249

17. The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity.
18. The likely market rent of £685 less deductions of £249 leaves a net market rent for the subject property of £436 per calendar month.

Decision

19. The fair rent initially determined by the Committee for the purposes of Section 70 was accordingly £436 per calendar month..
20. 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 sum of £431.50 per calendar month.
21. Accordingly the sum of £431.50 per calendar month will be registered as the fair rent with effect from 13th June 2006 being the date of the Committee's decision.


Signed M J Greenleaves

Chairman

Dated 28th June 2006.