

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

Address of Premises

30 St Georges Road
Sandwich
Kent
CT13 9LG

The Committee members were

Mr J McAllister F.R.I.C.S
Ms L Farrier

1. Background

On the 14th May 2004 the Landlord, P.B Griffith Ltd, applied to the Rent Officer for registration of a fair rent of £90.00 per week for the above property.

The rent payable at the time of the application was £75.00 per week.

The rent was previously registered on the 5th July 2002 with effect from the 14th August 2002 at £75.00 per week following a determination by the Rent Officer.

By a letter dated the 22nd June 2004 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 the 18th August 2004 and found it appeared to be in fair condition for its age and character as described more particularly in the Rent Officers survey sheet which has been copied to the parties.

Briefly the property comprised a mid terrace house probably about 50-60 years old and traditionally built of rendered and brick walls under a tiled roof. It had three bedrooms, two reception rooms, kitchen, bathroom (ground floor). Outside there were front and rear gardens (with no on site parking).

The tenant Mrs Russell had carried out the following improvements to the property:-

- Gas fired central heating system
- Replacement kitchen cupboards and bathroom sanitary fittings
- Secondary glazing units

3. Evidence

The Committee received written representations from the Landlord and Tenant and these were copied to the parties.

Neither party required 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, have regard to all the circumstances including the age, location and state of repair of the property. It also disregards the effect of (a) any relevant tenant's improvements, and (b) the effect of any disrepair or other defect attribute 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 emphasized

- 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 comparable. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

The Committee also has to have regard to the Rent Acts (Maximum Fair Rent) Order 1999 where applicable. Most objections to and determinations of registered rents are now subject to the Order, which limits the amount of rent that can be charged by linking increases to the Retail Price Index. It is the duty of the Rent Assessment Committee to arrive at the fair rent under Section 70 of the Act but in addition to calculate the maximum fair rent which can be registered according to the rules set out in the order. If that maximum fair rent is below the fair rent calculated as above, then that (maximum) sum must be registered as the fair rent for 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 (usually assured shorthold tenancies). It did this by having regard to the Committees own general knowledge of market rent levels in the area of Kent. Having done so it concluded that such a likely market rent would be £140.00 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 £140.00 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 that this required a total deduction of £25.00 per week. This deduction was arrived at as follows:-

- Lack of white goods – £5 per week
- Lack of carpets and curtains - £5 per week
- Ground floor bathroom - £5 per week
- Condition -£2.50 per week
- Tenants responsibility for internal decorating – £7.50 per week

Furthermore, to allow for the tenants improvements (listed above) it was necessary to make a further deduction of £12.50 per week.

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 £102.50 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of Section 70, was accordingly £102.50 per week exclusive of Council Tax.

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 £83.50 per week exclusive of Council Tax (details are provided on the back of the decision form).

Accordingly the sum of £83.50 per week exclusive of Council Tax will be registered as the fair rent with effect from the 16th August 2004 being the date of the Committees decision.


Chairman

Date – 16th August 2004

This document contains a summary of the reasons for the Rent Assessment Committees 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 the document.