

RENT ASSESSMENT COMMITTEE: SUMMARY REASONS FOR DECISION
Rent Act 1977

Address of Premises

1 Stanford Court
Tippett Close
Nuneaton
CV11 4TZ

The Committee members were

Miss T N Jackson
Mr J E Ravenhill
Mrs E Everett

1. Background

On 2/5/06 the landlord applied to the rent officer for registration of a fair rent of £90.25 per week for the above property.

The rent payable at the time of the application was £73.88 per week.

The rent was previously registered on 23/4/04 with effect from 31/5/04 at £86 per week (including £4.07 services) following a determination by the rent officer.

On 29/6/06 the rent officer registered a fair rent of £90 per week including £5.30 in respect of services with effect from that date.

By a letter dated 7/7/06 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 30/8/06 and found it to be in good 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 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' (ie 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 North Warwicks. Having done so it concluded that such a likely market rent would be £100 per week.

The Committee found that there was substantial scarcity in the locality and therefore deducted a sum of £15 from the market rent to reflect this element.

This leaves a fair rent for the subject property of £85 per week.

The landlord submitted in written representations that since the introduction of the Supporting People Regulations, from 1st April 2003, any housing related support services did not fall within section 71 of the Rent Act 1977.

It further submitted that the determination of any Supporting People Charge is no longer scheme based (hence the reason why the actual supporting people charge of £1.05 per week does not tally with the actual costs) but apportioned across all category 1 scheme costs on the appropriate area governed by the relevant Supporting People Administrative authority.

The Committee notes that the "Supporting People" programme has not amended section 71 of the Rent Act 1977 and therefore does not exclude housing related support charges from the definition of service charges. Whether a support charge is part of the registered rent will be determined by applying the legal definition of "services" as used in the Rent Act 1977 to the facts of the particular case.

Section 71 of the Rent Act 1977 provides that:

“the amount to be registered as the rent of any dwelling house shall include any sums payable by the tenant to the landlord in respect of council tax or of the use of furniture or for services, whether or not those sums are separate from the sums payable for the occupation of the dwelling house or are payable under separate agreements ”

Part IV of the Rent Act 1977 does not define “services” but in *R-v-London Rent Assessment Panel ex p Cliftville Properties (1982)* 266 EG 44 it was stated that “service”s meant

“the ordinary meaning that would be attributable to that phrase in the field of landlord and tenant.”

The Committee noted that the landlord’s written representations did not specify the elements that comprised the service charge of £1.05 per week or the facts associated with the charge.

The Committee found the following as facts:-

- (i) The landlord included the “Supporting People “charge in the service charge schedule provided to the Rent Officer in support of its application for a registered rent.
- (ii) The “Supporting People “ charge on the schedule did not contain details of the services provided under this item.
- (iii) The Committee’s inspection of the property did not disclose any services that were not already listed in the Service Charges Schedule.

For the reasons stated above and in the absence of any evidence to the contrary, the Committee determines that the “Supporting people” charge related to services as defined in section 71 of the Rent Act 1977 and therefore should be included in the registered rent.

Therefore to the occupational element of a fair rent of £85 per week, the sum of £5.30 in respect of services should be added; resulting in a fair rent of £ 90.30 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £90.30 per week inclusive of £5.30 in respect of services.

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 £90.30 per week inclusive of services of £5.30 per week will be registered as the fair rent with effect from 30/8/06 being the date of the Committee's decision.

Chairman

N. Jackson

Dated

30/8/06

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.