

**Rent Assessment Committee: Summary reasons for decision.
Rent Act 1977****Address of Premises**

27 Northfield Road
Southampton
Hants SO18 2PS

The Committee members were

Mr A J Mellery-Pratt FRICS
Mr D Lintott FRICS
Mr P R Owen

1. Background

On 12 August 2003 the landlord applied to the rent officer for registration of a fair rent of £105.00 per week for the above property.

The rent payable at the time of the application was £91.00 per week.

The rent was previously registered on 18 March 2003 with effect from 7 March 2003 at £91.00 per week following a determination by a rent assessment committee.

On 10 October 2003 the rent officer registered a fair rent of £96.50 per week with effect from that date.

By a letter dated 16 October 2003 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 9th December 2003 and found it to be in fairly good condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

It was noted that there were gaps over the front bay window following installation of new UPVC units and several areas of plasterwork had been damaged by the work. The ceilings suffered from long standing cracking.

The committee was not advised of any tenant's improvements to the property.

3. Evidence

A hearing was held on of the same day in The Wells Place Centre in Eastleigh at which oral representations were made by both the landlord and the tenant.

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, the rent officer's opinion, and the Committee's own general knowledge of market rent levels in the general Southampton area. Having done so it concluded that such a likely market rent would be £150.00 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 £150.00 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 deduction of £ 48.00 per week.

The deductions made by the committee were considered under the following headings:-

Carpets, curtains and white goods. The committee considered that in normal circumstances these items would need to be replaced quite frequently, and a tenant would be unwilling to provide carpets and curtains which tend to be specific to the property and unlikely to be able to be used again. This reasoning did not apply with quite the same force to white goods, but overall the committee was of the view that in the open market, a tenant would be deduct £12.00 in respect of this item.

Tenants decorating liability. A normal assured short hold tenancy obliges the tenant to be responsible for any damage caused to the decorations, but not for fair wear and tear. The situation is different for a protected tenant and the committee decided that it would be appropriate to make a deduction of £8.00 per week in respect of this item.

Rewiring. The Committee noted that this had been carried out in about 1995 and although it might not meet all the current requirements, the Committee decided that this would not affect the market value.

Central heating. The committee considered the value of central heating which was lacking at the property and were of the opinion that prospective tenants would deduct £13.00 per week to reflect the lack of this amenity.

Poor bathroom and kitchen. The kitchen is extremely basic and at commencement of the tenancy there had only been a ware sink and an old-fashioned cupboard in one corner. Whilst the bathroom provided a bath wash basin and WC, the tenant had provided hot water to the wash basin and had subsequently provided an electric shower. The committee were of the opinion that the very poor level of facilities in the kitchen would result in a reduction of £11.00 per week in the market rent.

Disrepair. A number of wants of repair had been noted. The committee decided that a deduction of £4.00 per week was appropriate for this item.

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 £102.00 per week

The Committee considered the affect of the Rent Acts (Maximum Fair Rent) Order 1999, ('the Order'). The landlord has installed double glazing throughout the property and this is a considerable improvement especially as the area is under the flight path for Southampton airport and the tenant did advise that the noise had been reduced by the installation. The landlord was of the opinion that the value of these windows was at least £8.00 per week and the committee agreed with this figure.

As a result the work carried out does not reach the limit required by the Order to qualify for exemption from the Order.

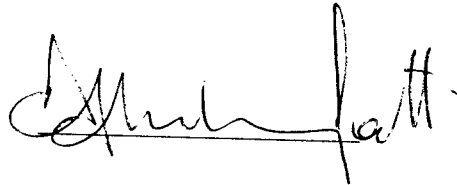
6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £102.00 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 £97.00 per week.

Accordingly the sum of £97.00 per week will be registered as the fair rent with effect from 9th December 2003 being the date of the Committee's decision.

Chairman



Dated

23rd December 2003

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.