

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

Flat 8A
8 Barrack Street
Bridport
Dorset
DT6 3LY

The Committee members were

Mr A J Mellery-Pratt, FRICS (Chairman)
Mr J D Bunkall, FRICS
Mr T D George

1. Background

On 3 November 2003 the landlord applied to the rent officer for registration of a fair rent of £425. per month for the above property.

The rent payable at the time of the application was £180 per month

On 21 January 2004 the rent officer registered a fair rent of £300 per calendar month with effect from that date.

By a letter dated 30 January the landlord's representative on his behalf 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 22nd March .and found it to be in fair condition..

The exterior had been painted recently but lead flashings were hanging dangerously. Internally there was severe damp in the cupboard to the main bedroom and slight signs of damp to the living room chimney breast. A number of windows remain painted shut following redecoration.

The following tenant's improvements had been made to the property.

The installation of a worktop/breakfast bar.

A new kitchen sink unit

A new washbasin in the bathroom

A new hot water cylinder

3. Evidence

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

A hearing was held on 22nd March in the flat at which oral representations were made by and on behalf of the landlord and by the tenant's representative as she did not wish to be present.

The representatives expanded on their representations and together with the committee members, questioned their opposite number.

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 West Dorset. Having done so it concluded that such a likely market rent would be £450 per month.

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 £450 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 £142.50 per month.

This figure is made up as follows:-

No central heating	£39.00 pm
No carpet/curtains/white goods	£39.00 pm
Basic kitchen	£30.00 pm
Tenant decorating obligation	£21.50 pm
Disrepair	<u>£13.00 pm</u>
	£142.50 pm

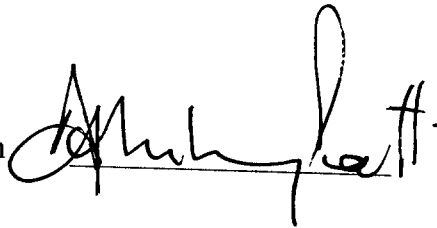
Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £8.50 per month.

This leaves a net market rent for the subject property of £299 per month but as this is so close to the figure registered by the Rent Officer, the committee decided to confirm that figure at £300 pcm.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £300 per month.

Accordingly the sum of £300.00 per month will be confirmed as the fair rent with effect from 22nd March 2004 being the date of the Committee's decision.

Chairman 

Dated 26th March 2004

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.