

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

9 Norwood House
Arlington Avenue
Leamington Spa
Warwickshire
CV32 5XP

The Committee members were

Mr N.R Thompson FRICS
Mr D.R Salter LLB
Mrs E. Everett

1. Background

On 10 June 2005 the landlord applied to the rent officer for registration of a fair rent of £65.17 per week for the above property.

The rent payable at the time of the application was £34 per week.

The rent was previously registered on 7 August 2003 with effect from 22 August 2003 at £34 per week following a determination by the rent officer.

On 22 July 2005 the rent officer registered a fair rent of £38 per week including £10.70 in respect of services with effect from 22 August 2005.

By a letter dated 1 August 2005 the landlord objected to the rent determined by the Rent Officer and the matter was referred to the Rent Assessment Committee.

Inspection

The Committee inspected the property on 11 October 2005 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.

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

- Installation of over bath electric shower

2. 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.

3. 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).

4. 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 Leamington Spa. Having done so it concluded that such a likely market rent would be £80 per week.

The Committee found that there was substantial scarcity in the locality and therefore deducted a sum of £12 from the market rent to reflect this element.

This leaves an occupational element of a fair rent for the subject property of £57.30 per week to which the service element sum of £10.70 in respect of services should be added; resulting in a fair rent of £68 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £68 per week inclusive of £10.70 in respect of services.

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 £38 per week inclusive of services (Details are provided on the back of the decision form).

Accordingly the sum of £38 per week inclusive of services of £10.70 per week will be confirmed as the fair rent with effect from 11 October 2005 being the date of the Committee's decision.

Chairman N.R THOMPSON

Dated 11 OCTOBER 2005

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.