

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

22 Cranworth Road
Worthing
West Sussex
BN11 2JF

The Committee members were

Mr R T A Wilson LLB (Chair)
Mr R A Wilkey FRICS FICPD
(Valuer member)
Ms J K Morris (Lay member)

1. Background

On 30th June 2006 the landlord applied to the rent officer for registration of a fair rent of £160 per week for the above property.

The rent being paid at the time of the application appeared to be £140 per week..

The rent was previously registered on 10th September 1999 with effect from the same date at £72 per week following a determination by the rent officer.

On 7th August 2006 the rent officer registered a fair rent of £120 per week with effect from that date.

By a letter dated 4th December 2006 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 24th January 2007 and found it to be in a fair condition as described more particularly in the Rent Officer's survey sheet which has been copied to the parties.

3. Evidence

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

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' (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 Worthing. Having done so, it concluded that such a likely market rent would be in the region of £675 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 £675 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 deductions of £115 per month broken down as follows:-

Optimum Rent	£675
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Less deductions to take account of: -

Lack of modern kitchen	£ 20	
Lack of modern bathroom	£ 20	
Lack of carpets & curtains	£ 25	
Absence of white goods	£ 25	
Defective floor boards	£ 10	
Tenant's internal repairing liability	£ 15	£115

Adjusted rent	<u>£560</u> per month or <u>£129 per week</u>
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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 £129 per week.

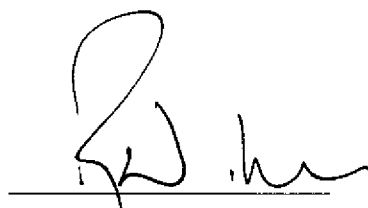
6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £129 per week.

Since the date of the last registration, namely September 1999, the landlord has installed double glazing throughout the house. The rent payable at the last registration was £72 per week. It is not surprising that the new registered rent is considerably higher than the previous registered rent which was assessed over seven years ago. Part of the increase can be attributed to the fact that market rents have increased greatly since the last registration. However, we consider that more than 15% of the increase is wholly attributable to the installation of the windows. That is to say we feel that a tenant, in the open market, would be willing to pay at least £11 per week more for the property than for an otherwise identical property which did not have the benefit of the double glazed windows. That being the case the fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 ("The Capping Order") because by virtue of the landlord's repairs and /or improvements since the previous registration the rent confirmed by the Committee exceeds by at least 15% the previous registered rent.

Accordingly the sum of £129 per week will be registered as the fair rent with effect from 24th January 2007 being the date of the Committee's decision.

Chairman



Mr R T A Wilson LLB

Dated

24th January 2007

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.