

## **Rent Assessment Committee: Summary reasons for decision.**

**Rent Act 1977**

### **Address of Premises**

273A Longmore Road  
Solihull  
Wes Midlands  
B90 3ER

### **The Committee members were**

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

### **1. Background**

On 8 June 2005 the landlord applied to the rent officer for registration of a fair rent of £450 per month for the above property.

The rent payable at the time of the application was £312.50 per month.....

The rent was previously registered on 14 August 2003 with effect from the same date at £312.50 per month following a determination by the rent officer.

On 18 July 2005 the rent officer registered a fair rent of £346.50 per month with effect from 14 August 2005.

By a letter dated 20 July 2005 the tenant 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 11 October 2005 and found it to be in fair 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:

- Electric over bath shower
- Kitchen wall units and base units
- Electric wall heater in bathroom

### **3. Evidence**

The Committee received written representations from the tenant and these were copied to the parties. No written representations were received from the landlord.

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 Solihull and South Birmingham. Having done so it concluded that such a likely market rent would be £400 per month.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £10 per month.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £60 from the market rent to reflect this element.

**This leaves a fair rent for the subject property of £330 per month**

## **6. Decision**

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 £330 per month will be registered 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

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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.