

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

45 The Avenue  
Newton Abbot  
Devon TQ12 2BZ

**The Committee Members were**

Miss K Firth-Butterfield (Chair)  
Mr EG Harrison FRICS

**1. Background**

On 5 December 2002 the landlord applied to the rent officer for registration of a fair rent of £800 per quarter for the property.

The rent payable at the time of application was £616 per quarter

The rent was previously registered on 26 January 2001 with effect from the same date at £616 per quarter following a determination by the rent officer.

On 20 January 2003 the rent officer registered a fair rent of £672.50 per quarter with effect from that date.

By a letter dated 4 February 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 18 March 2003 and found it to be in fair condition.

There was evidence of recent repair work to the rear passage and cloakroom carried out at the expense of the Landlord.

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

Installation of night storage heaters, 13 amp ring mains to the ground and first floor, kitchen units and sink, electric shower over the bath, replacement wash hand basin, new back door and uPVC window to bedroom two and half the cost of a further window, replacement WC pan downstairs, replacement front guttering.

### 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 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 market rent, the 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 **Newton Abbot**. Having done so it concluded that such a likely market rent would be £1170 per quarter.

However, the actual property is not in the condition considered usual for a modern letting at a market rent.

To allow for the tenant's improvements (listed above) it was necessary to make a further deduction of **£390 per quarter**.

*The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity.*

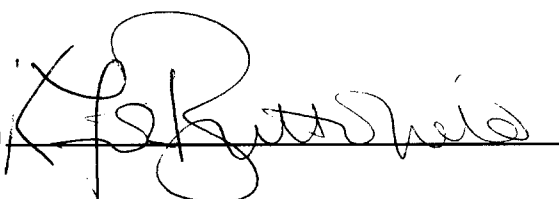
*This leaves a net market rent for the subject property of **£780 per quarter**.*

## **6. Decision**

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly **£780 per quarter**.

*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 **£673.50 per quarter**.*

**Accordingly the sum of £673.50 per quarter will be registered from 18 March 2003 being the date of the Committee's decision.**

Chairman 

Dated 22/03/03

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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.