

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

6 Maple Court
Tamworth Road
Lichfield
WS14 9HA

The Committee members were

Mr I D Humphries
Mrs M Robertson
Mr D Underhill

1. Background

On 21 August 2006 the landlord applied to the rent officer for registration of a fair rent of £417.00 per month for the above property.

The rent paid at the time of the application was £336.00 per month.

The rent was previously registered on 20 September 2004 with effect from 14 November 2004 at £334.00 per month following a determination by the rent officer.

On 25 September 2006 the rent officer registered a fair rent of £348.00 per month including £33.26 in respect of services with effect from 14 November 2006.

By a letter dated 27 September 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 23 November 2006 and found it to be in good condition.

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

- Loft insulation
- Replacement electric fire in living room
- Night storage heaters
- Kitchen wall cupboards
- Electric shower unit and wall mounted heater
- Extra power points

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 Staffordshire. Having done so, it concluded that such a likely market rent would be £400.00 per calendar month.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £40.00 from the market rent to reflect this element.

This leaves a fair rent for the subject property of £360.00 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £360.00 per calendar month inclusive of £33.26 per month in respect of services.

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 £360.00 per calendar month inclusive of services of £33.26 per month will be registered as the fair rent with effect from 23 November 2006 being the date of the Committee's decision.

Chairman Mr I D Humphries

Dated 23 November 2006

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.