

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

3 HARDWARDEN TCE,
HIGH STREET,
SPARKFORD
YEOVIL,
SOMERSET
BA22 7JQ

The Committee members were

MR T D GEORGE, LAWYER (CHAIRMAN)
MR P G HARRISON FRICS

1. Background

On 22 June 2005 the landlord's managing agent, Mr M A Southwell, MRICS of Greenslade Taylor Hunt applied to the rent officer for registration of a fair rent of £76.00 per week for the above property.

The rent payable at the time of the application was £66.00 per week

The rent was previously registered on 5 August 2003 with effect from 13 August 2005 at £66.00 per week following a determination by the rent officer.

On 10 August 2005 the rent officer registered a fair rent of £73.50 per week with effect from the 13 August 2005.

By a letter dated 19 August 2005 the landlord's agent, Mr Southwell 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 3 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.

- Bathroom with electric power shower, bath and wash hand basin but no hot water direct to the bath or basin.
- Incorporating the outside w.c. into the house
- Modernising the kitchen including, the sink, wall/floor units and lining walls and ceiling
- Constructing the utility/conservatory area
- Installation of the solid fuel stove and two night storage heaters.

3. 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.

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 South Somerset. Having done so it concluded that such a likely market rent would be £130 per week

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 £130 per week 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 a deduction of £ 34 per week made up as follows:

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| • Lack of central heating | £10 |
| • No floor coverings and curtains | £12 |
| • Tenants liability to decorate internally | £10 |
| • No allocated parking | £ 2 |

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £20 per week

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 £76 per week.

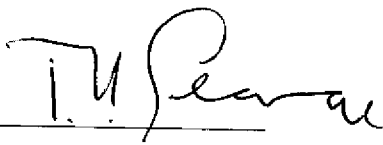
6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £76 per week

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 £73.50 per week (Details are provided on the back of the decision form).

Accordingly the sum of £73.50 per week will be registered as the fair rent with effect from 3 October 2005 being the date of the Committee's decision.

Chairman


T D George

Dated

5 October 2005
