

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

Rent Act 1977

### **Address of Premises**

Fairfield, Hurst Lane  
Egham  
Surrey  
TW20 8QL

### **The Committee members were**

Mr I R Mohabir LLB (Hons)  
Mr N I Robinson FRICS  
Miss J Dalal

## **1. Background**

On 5<sup>th</sup> September 2006 the landlord applied to the rent officer for registration of a fair rent of £600 per month for the above property.

The rent payable at the time of the application was £2080 per annum.

On 21<sup>st</sup> November 2006 the rent officer registered a fair rent of £126.00 per week with effect from that date.

By a letter dated 7<sup>th</sup> 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 1<sup>st</sup> February 2007 and found it to be in poor condition and 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.  
As described in the Rent Officer's survey dated 26<sup>th</sup> October 2006.

## **3. Evidence**

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

A hearing was held on 1<sup>st</sup> February 2007 at The Hythe Centre, Staines at which oral representations were made by and on behalf of the landlord and tenant.

#### **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 Egham. Having done so it concluded that such a likely market rent would be £196 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 £196 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 £116 per week to include the tenants improvements.

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 £80 per week.

## **6. Decision**

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £80 per week.

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 because there was not an existing registered fair rent at the time of the application.

**Accordingly the sum of £80 per week will be registered as the fair rent with effect from 1<sup>st</sup> February 2007 being the date of the Committee's decision.**

Chairman      Signed  
Mr I R Mohabir LLB (Hons)

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Dated            1<sup>st</sup> February 2007

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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.