Rent Assessment Committee: Summary reasons for decision. Rent Act 1977

Address of Premises

35 Oakfield Road Stapleford Nottingham NG9 8FE

The Committee members were

Professor Nigel Gravells MA Mr Kenneth Bloor FRICS FSVA Mrs Angela Bartram

1. Background

On 1st November 2002 the landlord applied to the rent officer for registration of a fair rent of £47.00 per week for the above property.

The rent payable at the time of the application was £37.00 per week.

The rent was previously registered on 1st December 2000 with effect from 1st December 2001 at £ 37.00 per week following a determination by the rent officer.

On 16 December 2002 the rent officer registered a fair rent of £35.00 per week with effect from 1 February 2003.

By a letter dated 10 January 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 21 February 2003 and found it to be in poor condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

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).

The Committee decided that the relevant differences between the subject property and the comparable properties given in evidence were so great as to make it inappropriate to rely on the market rent less scarcity approach in this case. It therefore relied on its knowledge and experience to assess a fair rent of £35.00 per week.

This leaves a fair rent for the subject property of £35.00 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £35.00 per week.

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 £35.00 per week will be confirmed as the fair rent with effect from 21 February 2003 being the date of the Committee's decision.

Chairman

Professor N P Gravells

Dated

21 February 2003

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.