

Notice of the Rent Assessment Committee Decision

Rent Act 1977 Schedule 11

Address of Premises

133 Forest Lane
London
E7 9BB

The Committee members were

Mrs F R Burton LLB LLM MA
Mrs S F Redmond BSc (Econ) MRICS
Mr A D Ring

Landlord

Mr H S Bharji

Tenant

Mrs June Knight

1. The fair rent is £ 100 Per week (excluding water rates and council tax but including any amounts in paras 3&4)

2. The effective date is 24 November 2005

3. The amount for services is £ - Per -
not applicable

4. The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is

£ - Per -
not applicable

5. The rent is not to be registered as variable.

6. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 do not apply because 1st registration.

7. Details (other than rent) where different from Rent Register entry

Partial central heating.

8. For information only:

Chairman

F R Burton

Date of decision

24 November 2005

FR/2002

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

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London
E7 9BB

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Mrs F R Burton LLB LLM MA
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1. Background

On 11 July 2005 the Rent Officer received the landlord's application for registration of a fair rent of £150 per week for the above property.

The rent payable at the time of the application was £47 per week.

On 5 September 2005 the rent officer registered a fair rent of £100 per week with effect from that date.

By a letter dated 6 September 2005 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 24 November 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.

Kitchen fittings
Replacement bathroom fittings

3. Evidence

The Committee received written representations from the landlord and these were copied to the tenant. 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 Forest Gate. Having done so it concluded that such a likely market rent would be £170 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 £170 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 £45 per week.

This leaves an adjusted market rent for the subject property of £125 per week.

The Committee found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 20% from the market rent to reflect this element.

6. Decision

The uncapped fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £100 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 £100 per week will be registered as the fair rent with effect from 24 November 2005 being the date of the Committee's decision.

Chairman: F R Burton

Dated: 24 November 2005

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 written request to the committee clerk at the Panel Office which must be made within 28 days from the date of issue of this document.

FRSUMREAS/2002