

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

### **Address of Premises**

Bardolf Manor Cottage  
Puddletown  
Dorset  
DT2 7LL

### **The Committee members were**

Mr P R Boardman MA LLB (Chairman)  
Mr J D Bunkall FRICS  
Mr P G Harrison FRICS

## **1. Background**

On the 30 July 2003 the landlord applied to the rent officer for registration of a fair rent of £500 per calendar month for the above property.

No rent was payable at the time of the application.

There was no previous registration of rent.

On the 26 August 2003 the rent officer registered a fair rent of £475 per calendar month and commented that the Landlord might recover the reasonable costs of emptying and maintaining the septic tank in addition to the registered rent

By a letter dated 9 September 2003 the tenant 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 14 October 2003 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.

- Refurbishment of bathroom and kitchen
- Installation of utility room
- Installation of additional window in sitting room

- Fitting of central heating including provision of 10 radiators and hot water cylinder.

### **3. Evidence**

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

A hearing was held on 14 October 2003 in the subject premises at which oral representations were made by the tenant. The landlord was not present or represented.

### **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 emphasized

- (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 West Dorset. Having done so it concluded that such a likely market rent would be £550 per calendar month.

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 £550 per calendar month 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 £35 per calendar month.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £100 per calendar month

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 £415 per calendar month to which the sum of £9 per calendar month in respect of services should be added.

The Committee understands that there is a septic tank, but does not see the necessity for it to be emptied on an annual basis. If it should need emptying the Landlord may make a reasonable charge for so doing.

## **6. Decision**

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £424 per calendar month inclusive of £9 per calendar month in respect of services.

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 £424.per calendar month inclusive of services of £9.per calendar month will be registered as the fair rent with effect from 14 October 2003 being the date of the Committee's decision.**

Signed

Chairman      P R Boardman

Dated            14 October 2003

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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.