

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

Greenstreet Farmhouse
Pound Lane, Shipley, Horsham,
West Sussex, RH13 8PQ

The Committee members were

Mr D M Nesbit JP FRICS FCI Arb
Mr D J Myers FRICS
Ms J Dalal

1. Background

On 22nd May 2002 the landlord applied to the rent officer for registration of a fair rent of £1200.00 per week for the above property.

The rent payable at the time of the application was £6400.00 per annum (£533.33 p.c.m.).

On 15th August 2002 the rent officer registered a fair rent of £575.00 per calendar month with effect from that date.

2. Inspection

The Committee inspected the property on 11th December 2002 and found it to be in fair condition as described more particularly in the rent officer's survey sheet which has been copied to the parties.

The following tenant's improvements had been made to the property.

Various structural works and internal alterations, works to services, central heating, improvements to kitchen and bathroom, and work to windows

3. Evidence

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

A hearing was held on 14th December 2002 in Horsham at which the landlord's agent and the tenant made oral representations.

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 Committee's own general knowledge of market rent levels in the area of Horsham & West Sussex. Having done so it concluded that such a likely market rent would be £2000.00 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 £2000.00 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 £698.00 per calendar month

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £728.00 per calendar month.

This leaves a market rent for the subject property of £574.00 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £575.00 per calendar month.

The fair rent to be confirmed 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 application.

Accordingly the sum of £575.00 per calendar month will be confirmed as the fair rent with effect from 14th January 2003 being the date of the Committee's decision.

Chairman Signed
D M NESBIT

Dated 14th January 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.