

**Eastern Rent Assessment Panel
Ref No.**

File

CAM/38UE/F77/2006/0085

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

Address of Premises

7 Hobbyhorse Lane
Sutton Courtney
Abingdon
Oxon
OX14 4BB

The Committee members were

Mrs H C Bowers MRICS
Mr J J Sims LLM
Mr D Wills ACIB

1. Background

On 13th June 2006 the landlord applied to the rent officer for registration of a fair rent of £750 per month for the above property.

On 25th August 2006 the rent officer registered a fair rent of £150 per week with effect from that date.

By a letter received on 6th September 2006 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 3rd November 2006 and found it to be in good condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties. The tenant and the landlord have kept the property in very good order.

3. Evidence

The Committee received no written representations.

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 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 Committee's own general knowledge of market rent levels in the area of Sutton Courtney Having done so it concluded that such a likely market rent would be £200 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 £200 per week to allow for the differences between the

condition considered usual for such a letting and the condition of the property prior to any work carried out by the tenant (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 £30 per week.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £20 from the market rent to reflect this element.

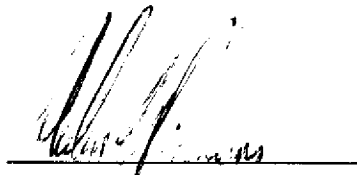
This leaves a net market rent for the subject property of £150 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £150 per week. As this is a first registration of the rent the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 do not apply.

Accordingly the sum of £150 per week will be confirmed as the fair rent with effect from 3rd November 2006 being the date of the Committee's decision.

Chairman



Dated

22/11/06

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.