

**Rent Assessment Committee: Summary Reasons for decision
Rent Act 1977**

Address of Premises
40 High Street
Gloucester GL1 4SW.

The Committee Members were:
Mr R L Sansbury (Chairman)
Mr P Smith FRICS.

1 Background

On 30 November 2005 the landlord applied to the Rent Officer for registration of a fair rent of £ 139.79 per month for the above property.

The rent payable at the time of application was £ 132.50 per month. The rent was previously registered on 5 February 2004 with effect from the same date at £ 132.50 per month following a determination by the Rent Officer

On 27 January 2006 the Rent Officer registered a fair rent of £ 146. 50 per month with effect from 5 February 2006.

By a letter dated 20 February 2006 (from his wife Mrs Christine Ewers on his behalf) the tenant Mr Ewers 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 exterior of the front of this terraced property on 23 May 2005. The Committee was unable to gain access to the interior or the rear of the property; by a further letter from Mrs Ewers dated 10 May 2006 the tenant agreed that the Committee only inspect the exterior

Thus the Committee was only able to inspect the front elevation which was in fair condition and the front of the roof, the condition of which was fair to poor.

The Committee therefore relied on the Rent Officer's survey sheet and plans which had been copied to the parties. In particular they noted that there are no white goods and no carpets or curtains supplied by the Landlord.

There is reference in Mrs Ewers' letter of 20 February 2006 to some tenant's improvements though it seems from the same letter that they may by now need doing again. The Committee found itself unable to say whether any tenant's improvements have been made to the property. .

3 Evidence

The Committee received written representations from the tenant in Mrs Ewers' letter of 20 February 2006 and these were copied to the landlord. . No written representations were received from the landlord.

Neither party requested a hearing at which oral representations could be made.

The landlord provided a copy of the Lease of the property dated 22 May 1987 and made between the landlord and the tenant. The Committee noted that this is a shared ownership property (50% to each party) and that it is a full repairing and insuring Lease.

4 The law.

When determining a fair rent the Committee, in accordance with the Rent Act 1977, Section 70, has regard to all the circumstances including the age, location and state of repair of the property. It also disregards 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) 28HLR 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. In the absence of any evidence from the parties, the Committee relied on its own general knowledge of market rent levels in the area of the City of Gloucester. Having done so it concluded that such a likely market rent would be £ 525..00 per month.

However allowance had to be made for the fact that this is a shared ownership and full repairing Lease and the actual property is not in the condition considered usual for a

modern letting at a market rent because no white goods, carpets or curtains are supplied by the landlord. Therefore it was first necessary to adjust that hypothetical rent of £525. 00 per month to allow for the differences between the condition considered usual for such a letting and the condition of the actual property as observed or assumed 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 these required deductions as set out below and calculated the rent in the following way:-

Market rent as above	£525.00
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Deductions.

For full repairing liability (approximately 15%)	£80.00	
No white goods	10.00	
No carpets or curtains	10.00	
Management, audit and insurance	<u>21.01</u>	
		<u>121.01</u>
		403.99
50% share		201.99
Add back management, audit and insurance		<u>21.01</u>
Uncapped fair rent		<u>223.00.</u>

The Committee did not consider that there was any substantial scarcity element in the area of the City of Gloucester and its surrounding villages and accordingly no further reduction was made for scarcity.

This leaves a net market rent for the subject property of £ 223.00 per month.

6 Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £ 223.00 per month. .

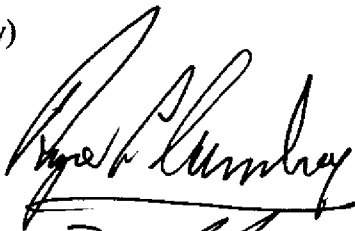
However, by virtue of the Rent Acts (Maximum Fair Rent) Order 1999 the maximum fair rent that can be registered in the present case is the lower sum of £ 147.50 month. Details are provided on the back of the decision form.

Accordingly the sum of £ 147.50 per month will be registered as the fair rent with effect from 23 May 2006 being the date of the Committee's decision.

(Mr R L Sansbury)

Chairman

Dated


30 May

2006.

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.