

**Rent Assessment Committee: Summary Reasons for Decision
Rent (Agriculture) Act 1976 (as amended) and s.67 of the Rent Act 1977**

Address of Premises
White Bungalow
Pillows Green Road
Corse
Gloucester
Gloucestershire GL19 3NX.

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

1 Background

The landlords, R N Padfield & Sons Ltd, are farmers. The tenant, Mr Charles Edward Bayliss, worked for the landlord for approximately 27 years. The tenant and his wife moved into the property White Bungalow Pillows Green Road Corse Gloucester (as a consequence of the tenant's employment and rent free) on 19 June 1982. The tenant and his family have lived at the property ever since.

The tenant was made redundant on 16 May 2005.

On 21 November 2005 the landlord and the tenant applied to the Rent Officer under the terms of the Rent (Agriculture) Act 1976 for registration of a fair rent of £ 400 per month for the property.

On 27 January 2006 the Rent Officer registered a fair rent of £ 495 per month.

By a letter dated 15 February 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 23 May 2006 in the presence of the tenant's wife and found it to be in fair condition as described more particularly in the Minutes of a Jurisdictional Hearing held by the Rent Officer on 26 January 2006 which had been copied to the parties.

In particular the Committee noted that the property is a detached Woolway bungalow which the landlord had had a cavity wall built round and brick rendered.

During the inspection Mrs Bayliss drew the Committee's attention to the many tenant's improvements which had been made to the property. These are set out in the letters from the tenant dated 15 February 2006 and 4 April 2006. which had been copied to the landlord.

The Committee also noted:-

- a). That there was evidence of damp in bedrooms 1, 3, and 4 and the box room and the bathroom were very damp To some extent this damp was considered by the Committee to be due to condensation.
- b) The condition of the two end bedrooms was consistent with them being from time to time very cold as described by both Mr & Mrs Bayliss.
- c) The central heating system was poor in that it was powered by a Parkray fire with back boiler and therefore the radiators did not operate unless the boiler was lit.

3 Evidence

The Committee received written representations from the landlord and tenant and these were copied to the other party in each case.

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 (Agriculture) Act 1976, Section 13, and (by reference to the Rent Act 1977 Section 70) has regard to all the circumstances including the age, character, locality and state of repair of the property. However because the tenancy is governed by the provisions of the Rent (Agriculture) Act 1976 the Committee has to value the rent on the basis of the condition of the property on the day of its inspection notwithstanding the improvements made by the tenant himself.

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 supplied by the parties the Committee did this by relying on its members own general knowledge of market rent levels in the area of Gloucester and its surrounding villages. Having done so it concluded that such a likely market rent would be £ 575 per 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 £575 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 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 the following deductions to reflect:-

the inadequacies noted by the Committee in sub-paragraphs a), b) and c) of paragraph 2 above £25 per month.

the absence of white goods supplied by the landlord £10

the absence of floor coverings and curtains supplied by the landlord £15

the tenant's liability for internal decorations £10.

Total deductions £60.

The Committee agreed with the tenant's comment in his letter of 4 April 2006 that "it seems very unfair that I am having to now pay more because of improvements I have made at my own cost." However the Committee reluctantly decided that the provisions of the Rent (Agriculture) Act 1976 as amended do not permit them to make any deduction in this case in relation to tenant's improvements.

The Committee did not consider that there was any substantial scarcity element and accordingly no further reduction was made for scarcity.

This leaves a net market rent for the subject property of (£575 – 60 =) £515 per month.

6 Decision

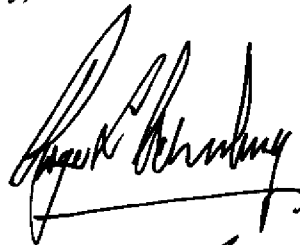
The fair rent determined by the Committee was accordingly £ 515 per month

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rents) Order 1999 because there was not an existing registered fair rent at the time of the application.

Accordingly the sum of £ 515 per month will be registered as the fair rent with effect from 23 May 2005 being the date of the Committee's decision.

(Mr. R L Sansbury)

Chairman

A handwritten signature in black ink, appearing to read "Robert L. Sansbury", written over a horizontal line.

Dated

A handwritten date "30 May" in black ink.

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.