

**Eastern Rent Assessment Panel
Ref No.**

File

CAM/38UE/F77/2006/0084

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

Address of Premises

Culver Cottage
Bampton Road
Bampton
OX18 2RG

The Committee members were

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

1. Background

On 9th May 2006 the landlord's agent applied to the rent officer for registration of a fair rent of £900 per month for the above property.

The rent payable at the time of the application was £800 per month.

The rent was previously registered on 29th July 2004 with effect from 6th August 2004 at £800 per calendar month following a determination by the rent officer.

On 4th August 2006 the rent officer registered a fair rent of £890.50 per month with effect from that date.

By a letter dated 24th August 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 had carried out an extensive modernization of the property including the conversion of some outbuildings to create an additional bedroom with an en-suite shower room.

3. Evidence

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

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 around Bampton. Having done so it concluded that such a likely market rent for the subject property, would be in the region of £1,300 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 £1,300 per calendar month to allow for the differences between the condition considered usual for such a letting and the condition of the property and taking account of the improvements made 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 £260 per calendar month.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £104 from the market rent to reflect this element.

This leaves a net market rent for the subject property of £935 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £935 per calendar 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 £897 per calendar month. (Details are provided on the back of the decision form).

Accordingly the sum of £897 per calendar month will be registered as the fair rent with effect from 22nd November 2006 being the date of the Committee's decision.

Chairman



Dated

22/11/06

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