

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

Flat 17 Valley Court
Paulbrook Road
Bridgnorth
Shropshire
WV16 5DW

The Committee members were

CH: Mr N R Thompson FRICS
L: Mr W H Hatcher
LM: Mr D Underhill

1. Background

On 21.9.06 the landlord applied to the rent officer for registration of a fair rent of £76.11 per week for the above property of which £21.78 was for service charge.

The rent payable at the time of the application was £ 74.06 per week including £ 21.66 service charge.

The rent was previously registered on 21.12.04 with effect from the same date at £320 per calendar month of which £ 92.90 was for service charges following a determination by the rent officer.

On 13.11.06 the rent officer registered a fair rent of £330 per calendar month including £80.60 in respect of services with effect from 21.12.06.

By a letter dated 28.11.06 the landlord 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 18.1.07 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.

3. Evidence

The Committee received written representations from the landlord and tenant and these were copied to the tenant. No written representations were received from the tenant.

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 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 evidence supplied by the Committee's own general knowledge of market rent levels in the area of Shropshire. Having done so it concluded that such a likely market rent would be £285 per calendar month.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £45 from the market rent to reflect this element.

This leaves a fair rent for the subject property of £ 240 per calendar month.

This leaves an occupational element of a fair rent for the subject property of £ 240 per calendar month to which the service element sum of £ 94.64 per calendar month in respect of services should be added; resulting in a fair rent of £335 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £335 per calendar month inclusive of £94.64 per calendar month in respect of services.

The section 70 fair rent determined by the Committee is below the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly that rent limit has no effect. Details are provided on the back of the decision form.

Accordingly the sum of £ 335 per calendar month inclusive of services
of £ 94.64 per calendar month will be registered as the fair rent with

Chairman Mr N R Thompson

Dated 18/1/07

Committee's decision. If either party requires extended reasons to be given,