

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

Address of Premises

4, Jubilee Cottages
Verney Junction
Buckingham
Buckinghamshire
MK18 2JZ

The Committee members were

Mrs H Bowers BSc(Econ) MSc MRICS
Miss M Krisko BSc(Est Man) FRICS
Mr D Wilson

1. Background

On 26th July 2004 the landlord applied to the rent officer for registration of a fair rent of £720 per calendar month for the above property.

The rent payable at the time of the application was £240.50 per calendar month.

The rent was previously registered on 17th December 2001 with effect from that date at £240.50 per calendar month following a determination by the rent officer.

On 13th September 2004 the rent officer registered a fair rent of £271.50 per calendar month with effect from that date.

By a letter dated 22nd September 2004 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 25th November 2004 and found it to be in fair condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

The tenant had carried out substantial improvements to the property including the installation of a sewage system and a bathroom, refurbishment of the kitchen and laying a solid floor in the front reception room.

3. Evidence

No Written representations were received from either the tenant. The landlord's agents did send in representations, but these were received in the late afternoon, prior to the consideration of the case. In these circumstances the representations were received far too late and were not considered by the committee.

Whilst a hearing was arranged, both parties agreed that this matter could be dealt with by the means of written representations, accordingly the hearing was cancelled.

4. The law

A summary of the relevant law is attached to this document.

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 rural area around Verney Junction. Having done so it concluded that such a likely market rent would be £550 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 £550 per calendar 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 a deduction of £248 per calendar month.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £30 per calendar month from the market rent to reflect this element.

This leaves a net market rent for the subject property of £272 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £272 per calendar month.

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 £272 per calendar month will be registered as the fair rent with effect from 25th November 2004 being the date of the Committee's decision.

Chairman



Dated

1.12.04

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.