

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

2 The Tallet
Persnore
Worcestershire
WR10 2JT

The Committee members were

Mr T F Cooper
Mr P J Waller
Mr D Underhill

1. Background

On 13 May 2005 the landlord applied to the rent officer for registration of a fair rent of £400.00 per calendar month for the above property.

The rent payable at the time of the application was £328.00 per calendar month.

The rent was previously registered on 28 July 2003 with effect from the same date at £328.00 per calendar month following a determination by the rent officer.

On 22 June 2005 the rent officer registered a fair rent of £363.50 per calendar month with effect from 28 July 2005.

By a letter received 20 July 2005 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 13/09/05 and found it to be in a generally good condition.

The following tenant's improvements had been made to the property.

Landscaped rear and side gardens. Provided workshop, shed and concrete base in garden. Provided exterior lighting. Wall cupboard in utility room, surround to fireplace in living room. Tiles in kitchen. Shower, tiling and wood finish to bathroom.

3. Evidence

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

A hearing was held on 13/09/05 in Worcester at which oral representations were made on behalf of the landlord. The landlord was not present or represented.

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

On the evidence of the landlord's representative in respect of the adjoining similar house the Committee determined what rent the landlord could reasonably be expected to obtain for the property in the open market excluding tenant's improvement. Having done so it concluded that such a likely market rent would be £450 per calendar month.

The Committee found that there was substantial scarcity in the locality and therefore deducted a further sum of £67.50 per calendar month from the market rent to reflect this element.

This leaves a fair rent for the subject property of £382.50 per calendar month.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £382.50 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 £364.50 per calendar month.

Accordingly the sum of £364.50 per calendar month will be registered as the fair rent with effect from 13/09/05 being the date of the Committee's decision.

Chairman Mr T F Cooper

Dated 13/09/05

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.