

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

**Address of Premises**

54 Winchester Court  
Vicarage Gate  
London  
W8 4AE

**The Committee members were**

Mr I Mohabir LLB (Hons)  
Mr P Tobin FRICS MCI Arb  
Mr D J Wills

### **1. Background**

On 6 February 2003 the landlord applied to the rent officer for registration of a fair rent of £180 per week for the above property.

The rent payable at the time of the application was £6672.50 per annum

The rent was previously registered on 15 March 2001 with effect from the same date at £6,672.50 per annum following a determination by the rent officer.

On 16 July 2003 the rent officer registered a fair rent of £575 per cal month including £51.00 in respect of services with effect from that date.

By a letter dated 1 September 2003 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 12 December 2003 and found it to be in good condition.

The following tenant's improvements had been made to the property.  
None.

The registered rent includes a sum for the following services:

1. Portage
2. Cleaning and lighting, carpeting and heating of common parts.
3. Lifts
4. Central heating and hot water
5. Entryphone
6. Refuse removal
7. Water softening
8. Water rates
9. Pest control.

### **3. Evidence**

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

A hearing was arranged for 12 December 2003 but neither party attended.

### **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 landlord and the Committee's own general knowledge of market rent levels in the area of Kensington. Having done so it concluded that such a likely market rent would be £990 per cal. 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 £990 per cal 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 cal. month.

This leaves an adjusted market rent for the subject property of £742 per cal month.

The Committee found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 25% from the market rent to reflect this element.

## **6. Decision**

The uncapped fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £663 per cal month inclusive of £107 per cal month in respect of services.

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 £617.50 per cal. month inclusive of services (Details are provided on the back of the decision form).

**Accordingly the sum of £617.50 per cal month inclusive of services of £107 per cal. month will be registered as the fair rent with effect from 12 December 2003 being the date of the Committee's decision.**

Chairman: I Mohabir

Dated: 12 December 2003

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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 written request to the committee clerk at the Panel Office which must be made within 28 days from the date of issue of this document.

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