

## **Rent Assessment Committee: Reasons for decision.**

**Rent Act 1977**

### **Address of Premises**

Flat 3  
25 Eversfield Place  
St Leonards On Sea  
East Sussex  
TN37 6BY

### **The Committee members were**

Mr B H R Simms FRICS MCI Arb  
Mr J N Cleverton FRICS  
Ms J K Morris

### **1. Background**

On 21 January 2005 the landlord applied to the rent officer for registration of a fair rent of £70.00 per week for the above property.

The rent payable at the time of the application was £60.00 per week.

The rent was previously registered on 16 October 2002 with effect from the same date at £ 260.00 per calendar month following a determination by the rent officer.

On 25 April 2005 the rent officer registered a fair rent of £271.00 per calendar month with effect from that date.

By a letter dated 26 April 2005 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 1 July 2005 and found it to be in fair condition and as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

The property comprises a flat formed by conversion on the 2<sup>nd</sup> floor of an inner terrace mid to late Victorian sea-front property. The flat is not self contained as the separate WC is located on the half landing of the common staircase. The remaining accommodation comprises Living Room, Kitchen, Bedroom and Bathroom.

The following improvements had been made to the property:

At the start of the tenancy there was a combined kitchen and bathroom with a sink at one end and a bath at the other. The tenant has erected a dividing partition and has installed proper kitchen and bathroom fittings.

The central heating was installed by the tenant. In September 2004 the heating boiler was renewed under a grant scheme at no cost to the landlord or the tenant.

### **3. Evidence**

The Committee received written representations from the landlord and the/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 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 Committee's own general knowledge of market rent levels in the area of East Sussex. Having done so, it concluded that such a likely market rent would be £430.00 per calendar month.

However, the actual property is not in the condition considered usual for a modern letting at a market rent and has a poor layout having the WC on the landing. Also there are no white goods provided and the landlord has not provided carpets and curtains which would be expected to obtain the market rent quoted. Therefore it was first necessary to adjust that hypothetical rent of £430.00 per calendar month to allow for the differences between the condition, facilities and layout considered usual for such a letting and the condition, facilities and layout 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 £73.00 per calendar month.

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £75.00 per calendar month.

The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity

This leaves a net market rent for the subject property of £282.00 per calendar month.

## 6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £282.00 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 £282.00 per calendar month will be registered as the fair rent with effect from 1 July 2005 being the date of the Committee's decision.**

A handwritten signature in black ink, appearing to read 'Mr B H R Simms', written over a horizontal line.

Chairman      Mr B H R Simms FRICS MCI Arb

Dated      6 July 2005

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