

Rent Assessment Committee: Summary reasons for decision.

Rent Act 1977

Address of Premises

10 ROPERS LANE
WAREHAM
DORSET
BH20 4QT

The Committee members were

MR T D GEORGE, LAWYER (CHAIRMAN
MR J D BUNKALL FRICS

1. Background

On the 2 December 2004 the landlord, Mr G Ryder for the Ryder Christmas Day Trust applied to the rent officer for the registration of a fair rent of £85 per week for the above property.

The rent payable at the time of the application was £63.50 per week.

The rent was previously registered on 1 February 2002 with effect from the 17 February 2002 at £63.50 per week following a determination by the rent officer.

On the 27 January 2005 the rent officer registered a fair rent of £72.50 per week with effect from that date.

By a letter dated 25 February 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 10 May 2005 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 following tenant's improvements had been made to the property:

Installation of Kitchen Units, Bathroom Wash Hand Basin/Shower and Porch
Landscaping of rear garden and provision of Fence Panel

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.

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 emphasized

- (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 Purbeck. Having done so it concluded that such a likely market rent would be £125 per week.

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 £125 per week 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 £ 45 per week

Furthermore, to allow for the tenant's improvements (listed above) it was necessary to make a further deduction of £3 per week.

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 £77 per week.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £125 per week.

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999 because by virtue of landlord's repairs and/or improvements since the previous registration the rent determined by the Committee exceeds by at least 15% the previous registered rent.

Accordingly the sum of £77 per week will be registered as the fair rent with effect from 10 May 2005 being the date of the Committee's decision.

A handwritten signature in black ink, appearing to read 'T D George', written in a cursive style.

Chairman Mr T D George

Dated 10 May 2005
