

**Southern Rent Assessment Panel      File Ref. No. CHI/23UC/F77/2006/0191**

**Rent Assessment Committee:      Reasons for decision**

**Rent Act 1977**

**Address of Premises**

3 The Old Papermill Cottages  
Little Barrington  
Burford  
Oxfordshire  
OX18 4TG

**The Committee members were**

Mr. J. S. McAllister, F.R.I.C.S.  
(Valuer Chairman)  
Mr. J. R. Boddy, M.R.I.C.S.  
(Valuer Member)  
Mr. S. Fitton (Lay Member)

**1. Background**

On the 3rd September 2006 the landlord, Mr. R. H. G. Mills, applied to the Rent Officer for registration of a fair rent of £100 per week (p.w.) (£433.33 per month(p.m.)) for the above property.

The rent payable at the time of the application was £55.50 p.w. (£240.50 p.m.).

The rent was previously registered on the 16th August 2004 with effect from the same date at £55.50 p.w. following a determination by the Rent Officer.

On the 3rd November 2006 the Rent Officer registered a fair rent of £62.50 p.w. (£270.83 p.m.) with effect from that date.

By a letter dated the 7th November 2006, 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 in the presence of the tenant, Mrs. W. Boyle and her daughter, on the 18th January 2007. They found that it appeared to be in fair condition for its age and character, as described more particularly in the Rent Officer's survey sheet which had been copied to the Parties.

Briefly, the property forms part of a converted papermill and comprised a terraced cottage, probably about 150 years old and traditionally constructed of natural stone walls under natural Cotswold stone tiled roof. The property was situated on the eastern edge of the village, with access down a shared unmade track. The accommodation was, on the ground floor, hall, rear hall, bathroom, kitchen, dining room, sitting room. On the first floor there were three bedrooms and a landing. Outside there was an attached two storey store, a reasonably sized area of rear garden bordering fields, and a somewhat derelict, former garden W.C. Mrs. Boyle informed the Committee that included with the property was also a single car port and a parking space. Apparently mains electricity is connected with a private water supply and drainage to a septic tank shared with the other two cottages in the rank. The Committee were informed that there was a solid fuel stove and one radiator provided by the landlord for space heating, together with an open fire in the sitting room. Mrs. Boyle also informed the Committee that the landlord charged extra for the water supplied but that he arranged for the periodic emptying of the septic tank, currently at no extra charge. Hot water was by electric immersion heater.

The following tenant's improvements had been made to the property (as stated by Mrs. Boyle in an undated note copied to the Committee):-

Fitted kitchen units (apparently previously there was only a stainless steel sink unit).

New tiled floors in the bathroom and kitchen.

New wooden flooring in the hall.

External security light.

Fitted shower to bathroom.

Additional radiators etc.

The tenant also informed the Committee that she had recently had the trees in the back garden pruned, however, the Committee took the view that this work did not add to the rental value of the cottage.

### 3. Evidence

The Committee received written representations from the landlord and 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, have regard to all the circumstances including the age, location and state of repair of the property. It also disregards 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 comparable. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

The Committee also has to have regard to the Rent Acts (Maximum Fair Rent) Order 1999 where applicable. Most objections to and determinations of registered rents are now subject to the Order, which limits the amount of rent that can be charged by linking increases to the Retail Price Index. It is the duty of the Rent Assessment Committee to arrive at the fair rent under Section 70 of the Act but in addition to calculate the maximum fair rent which can be registered according to the rules set out in the Order. If that maximum rent is below the fair rent calculated as above, then that (maximum) sum must be registered as the fair rent for the subject property.

The Committee also has to disregard the personal circumstances of the landlord and tenant in arriving at the fair rents.

## 5. Valuation

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 Parties and the Committee's own general knowledge of market rent levels in the area of South Gloucestershire and East Oxfordshire. Having done so it concluded that such a likely market rent would be £725 p.m. (£167.31 p.w.) (i.e. on the basis of an assured shorthold tenancy).

With regard to the tenant's improvements as noted above, the Committee ignored these improvements in arriving at this gross market rent.

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 £725 p.m. (£167.31 p.w.) to allow for the difference between 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 total deduction of £220 p.m. (£50.77 p.w.).

This total was calculated as follows:-

Lack of "white goods" - £10 p.m.

Lack of carpets and curtains - £20 p.m.

Lack of full central heating system - £50 p.m.

Tenant's responsibility for internal decoration - £40 p.m.

Condition of cottage, i.e. dampness, poor external decoration, gutters, etc. - £50 p.m.

Bathroom on ground floor and dated bathroom sanitary fittings and dated kitchen - £40 p.m.

Access (shared and poor condition) - £10 p.m.

The Committee did not consider that there was any substantial scarcity element in the area of South Gloucestershire and East Oxfordshire and accordingly no further deduction was made for scarcity.

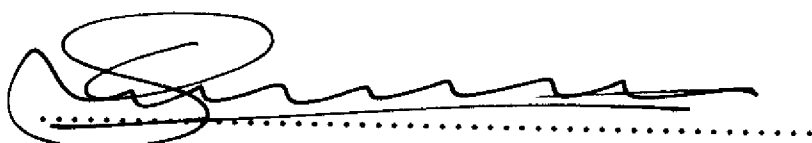
This leaves a net market rent for the subject property of £505 p.m. (£167.54 p.w.) exclusive of Council Tax and rates.

## 6. Decision

The fair rent initially determined by the Committee, for the purposes of Section 70 was accordingly £116.54 p.w. exclusive of Council Tax and rates.

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 £62.50 per week exclusive of Council Tax and rates. (Details are provided on the back of the decision form.

Accordingly the sum of £62.50 per week (exclusive of Council Tax and rates) will be confirmed as the fair rent with effect from the 18th January 2007, being the date of the Committee's decision.

A handwritten signature in black ink, appearing to be 'J. S. McAllister', written over a horizontal dotted line.

J. S. McAllister, F.R.I.C.S., Chairman

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26th January 2007