

**Rent Assessment Committee: Summary reasons for decision.
Rent Act 1977****Address of Premises**

24 Leslie Chalk House
Church Road
Ashford
Kent
TN23 1RA

The Committee members were

Mr I W Collins FRICS IRRV
(Chairman)
Mr R Athow FRICS MIRPM
Ms L Farrier

1. Background

On the 25th May 2004 the landlord applied to the rent officer for registration of a fair rent of £90.11 per week for the above property.

The rent paid at the time of the application was £79.22 per week including service charges.

The rent was previously registered on the 10th January 2002 with effect from the same date at £74.92 per week following a determination by the rent officer.

On the 13th July 2004 the rent officer registered a fair rent of £85 per week including £33.65 in respect of services (variable) with effect from that date.

By a letter dated the 27th July 2004 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 the 23rd September 2004 and found it to be in good condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

No tenant's improvements have been made to the property apart from a 50% contribution to the cost of a replacement shower.

The registered rent includes a sum for the services as listed on the rent register totaling £33.65 for the current year.

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 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 mid Kent and the rents of the other units within the same building. Having done so it concluded that such a likely market rent would be £53 per week.

The Committee found that there was substantial scarcity for this specific type of property in the locality and therefore deducted a further sum of £5 from the market rent to reflect this element.

This leaves a net market rent for the subject property of £48 per week to which the sum of £33.65 in respect of services should be added.

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £81.65 per week inclusive of £33.65 per week in respect of services.

The section 70 fair rent determined by the Committee is below the level of 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 £81.65 per week inclusive of services of £33.65 per week will be registered as the fair rent with effect from the 23rd September 2004 being the date of the Committee's decision.

The registered rent is to be entered as variable in accordance with the terms of the tenancy (Rent Act 1977, s.71(4)).

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

Chairman

Dated 27th September 2004

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.