

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

Address of Premises

Little Polglaze
Perrancombe
Perranporth
Cornwall
TR6 0JA

The Committee members were

R Batho MA BSc LLB FRICS FCI Arb
E R Distin FRICS
Dr C Gronow

1. Background

On 28th July 2005 the landlord applied to the rent officer for registration of a fair rent of £850.00 per month for the above property. The rent was previously registered at £266.50 per calendar month following a determination by the rent assessment committee.

On 30th August the rent officer registered a fair rent of £645.00 per calendar month with effect from that date. By a letter dated 1st September the landlord asked for the matter to be referred to a rent assessment committee.

2. Inspection

The Committee inspected the property on 17th November 2005 and found it to be in good condition following recent extensive refurbishment works. There were not considered to be any qualifying tenant's improvements following these works.

3. Evidence

The Committee had the benefit of written representations received from the parties and copied to the other parties. In addition to this, a hearing was held at the premises on 17th November at which oral representations were made on behalf of the landlord and tenant.

4. The Law

When determining a fair rent the Committee, in accordance with the Rent Act 1977, s.70, had regard to all the circumstances including the age, location and state of repair of the property and disregarded the effect of any relevant tenant's improvements 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 of the rent, if any, that is attributable to there being a shortage of similar properties in the locality available for letting on similar terms) and

(b) that assured tenancy (market) rents are usually appropriate market rent comparables.

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 parties and/the Committee's own general knowledge of market rent levels in the area of mid Cornwall. Having done so it concluded that such a likely market rent would be £850.00 per calendar month.

However, the actual property is not in the condition considered usual for a modern letting at a market rent, in that some matters related to the refurbishment were incomplete. Therefore it was necessary to adjust that hypothetical rent of £850.00 per 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 £10.00 per month.

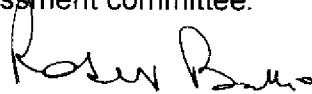
A further adjustment was made to allow for the differences in repairing obligations between the comparable properties and the subject property the Committee arrived at a fair rent of £800.00 per month for the subject property. The Committee did not consider that there was any substantial scarcity element and accordingly no further deduction was made for scarcity.

5. Decision

The fair rent determined by the Committee is accordingly £800.00 per month. That rent will be registered with effect from 17th November 2005 being the date of the Committee's decision.

The rent is not capped 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 exceeds by at least 15% the previous rent as determined by the rent assessment committee.

Signed



Dated

18/11/05

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 which must be made within 21 days from the date of issue of this document.