

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

Address of Premises

94 St.Vincent's Road
Dartford
Kent
DA1 1XE

The Committee members were

Mr R T A Wilson LL.B
Mr M Marshall FRICS
Ms L Farrier

1. Background

On 19th March 2003 the landlord applied to the rent officer for registration of a fair rent of £120 per week for the above property.

The rent payable at the time of the application was £80 per week.

On 9th May 2003 the rent officer registered a fair rent of £88 per week with effect from that date.

By a letter dated 3rd June 2003 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 Monday 4th August 2003 and found it to be in a fair condition as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

3. Evidence

The Committee received written representations from the tenant and these were copied to the landlord. No written representations were received from the landlord. 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 evidence supplied by the parties and the Committee's own general knowledge of market rent levels in the area of North Kent. Having done so it concluded that such a likely market rent would be £120 per week. Such a property would be in good structural and decorative order both inside and out and it

would also have white goods such as a cooker, fridge and washing machine. Finally it would have floor coverings and curtains.

However, the actual property is not in a good modern letting condition. Therefore it was first necessary to adjust that hypothetical rent of £120 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 £30 per week. That is to say we concluded that a prospective tenant in the open market would expect to pay £30 per week less for this property by way of rent because it is not in a good modern letting condition as detailed above.

This leaves a net market rent for the subject property of £90 per week calculated as follows: -

Optimum open market rent		£120.00 per week
<u>Deductions</u>		
Lack of carpets, curtains, white goods	8.00	
Kitchen fittings by tenant	7.00	
Lack of a modern bathroom	5.00	
Tenants repairing liability	5.00	
Disrepair to exterior	<u>5.00</u>	
	30.00	
		<u>30.00</u>
		£90.00 per week

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

6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £90 per week.

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 £88.50 per week (Details are provided on the back of the decision form).

Accordingly the sum of £88.50 per week will be registered as the fair rent with effect from 4th August 2003 being the date of the Committee's decision.

Chairman Mr R Wilson

Dated 21st August 2003

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.