

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

Address of Premises

5 Foxlake Road
West Byfleet
Surrey
KT14 7PW

The Committee members were

Mr B J C Mire BSc (Est Man) FRICS
Mrs H C Bowers ARICS
Mr D Wills

1. Background

On 7th November 2002 the landlord applied to the rent officer for registration of a fair rent of £1290 per calendar month for the above property.

The rent payable at the time of the application was £101 per week.

The rent was previously registered on 27th January 2001 with effect from the same date following a determination by a rent assessment committee.

On 6th February 2003 the rent officer registered a fair rent of £110.50 per week with effect from that date.

By a letter dated 18th February 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 29th April 2003 and found it to be in fair condition, and with tenant's improvements, as described more particularly in the Rent Officer's survey sheet which had been copied to the parties.

3. Evidence

No written representations were received from either party.

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 Byfleet. Having done so it concluded that such a likely market rent would be £195 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 £195 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 £55 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 £140 per week.

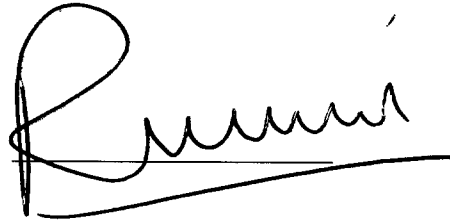
6. Decision

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £140 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 £111 per week.

Accordingly the sum of £111 per week will be registered as the fair rent with effect from 29th April 2003 being the date of the Committee's decision.

Chairman

A handwritten signature in black ink, appearing to be 'R. Smith', written over a horizontal line.

Dated

25/05/03

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.