

## **Rent Assessment Committee: Summary reasons for decision.**

**Rent Act 1977**

**Address of Premises**

21 Sandhurst Close  
Tunbridge Wells  
Kent  
TN2 3ST

**The Committee members were**

Mr I Mohabir LLB (Hons)  
Mr R Athow FRICS MRIPM

### **1. Background**

On 1<sup>st</sup> December 2005 the landlord applied to the rent officer for registration of a fair rent of £435.92 per calendar month for the above property.

The registered rent at the time of the application was £517 per calendar month.

The rent was previously registered on 19<sup>th</sup> January 2004 with effect from 1<sup>st</sup> March 2004 at £517 per calendar month following a determination by the rent officer.

On 20<sup>th</sup> December 2005 the rent officer registered a fair rent of £515 per calendar month including £14.68 in respect of services with effect from 1<sup>st</sup> March 2006.

By a letter dated 8<sup>th</sup> February 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 on 2<sup>nd</sup> May 2006 and found it to be in good condition and as described more particularly in the Rent Officers survey sheet which had been copied to the parties.

The registered rent includes a sum for the services as listed on the rent register.

### **3. Evidence**

The Committee received written representations from the landlord and tenant and these were copied to the parties.

A hearing was arranged for 2<sup>nd</sup> May 2006 but dispensed with by the landlord.

### **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 and the Committees own general knowledge of market rent levels in the area of Tunbridge Wells and West Kent. Having done so it concluded that such a likely market rent would be £675 per calendar month.

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 £675 per calendar month to allow for the differences 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 deduction of £100 per calendar month.

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

This leaves a new market rent for the subject property of £575 per calendar month inclusive of £6.23 per calendar month in respect of services.

## **6. Decision**

The fair rent initially determined by the Committee, for the purposes of section 70, was accordingly £581.23 per calendar month inclusive of £6.23 per calendar month in respect of services.

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 £575.73 per calendar month inclusive of services (Details are provided on the back of the decision form).

Accordingly the sum of £575.73 per calendar month inclusive of services of £6.23 per calendar month will be registered as the fair rent with effect from 2<sup>nd</sup> May 2006 being the date of the Committees decision.

Chairman J. Mahesh

Dated 24/5/06

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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.