

**Eastern Rent Assessment Panel  
CAM/00MF/F77/2003/0163**

**1 Wiltshire Road, Wokingham, Berks RG40 1TN**

**The Committee's Reasons**

1. This was an objection by the Landlord, Wokingham All Saints Wokingham Parochial Church Council, to a Rent Officer's determination of £400 per month, registered on and effective from 14 November 2003. John P Smith, Churchwarden, appeared on behalf of the Landlord, and the Tenant, Mr I Frankal, attended the Hearing in person.
2. This was a tenancy created by an Agreement dated 2 August 1982 for one year less one day, from which the Tenant had been holding over. Despite an earlier dispute between the parties over the construction of the Lease and the possibility of the Landlord gaining possession, it was clear from the file papers that the parties had been legally advised and the Landlord now recognised the Tenant as a regulated tenant under the terms of the Rent Act 1977. Mr Smith endorsed this conclusion in his evidence. It was on this basis that the Rent Officer determined a Fair Rent on 14 November 2003 of £400 per month, including water rates. The property was now unfurnished and Section 11 of the Landlord and Tenant Act 1985 applies to the tenancy.
3. Endorsing his earlier written representations of 13 January 2004, Mr Smith told the Committee that he had been advised by Mr John H Smith FRICS FCI Arb in the matter, and he enclosed for our attention two letters of 8 August relating to the subject house and No 3 the property next door, respectively. It was his (Mr J H Smith's) opinion that the rent for No 3 Wiltshire Road, a two bedroom semi-detached house, was £110 - £115 per week, and the Rent Officer had arrived at an uncapped figure of £106 ( approximately £460 per month.). He thought there had been an error in the Rent Officer's determination of £400 per month for the subject property. The house had been in a bad condition in 1995, and following a Notice from the Environmental Health Department, the Landlord had carried out extensive works, including replacement of the windows, in 1996/7; the works had cost in the region of £22000. He submitted a copy of advertisements by Kings, Estate Agents, of various properties advertised to let, referring in particular to a 3 bedroom semi-detached house in Wokingham, close to the town centre, to be let at £750 per month, and a 2/3 bedroom town house near the town centre for £795 per month. He considered

the market rent for the subject property was between £560-600 per month; at the Hearing Mr Smith suggested a deduction of 10% for the Tenant's improvements.

4. Mr Frankal gave the Committee an outline of the history of his letting. He confirmed that the Landlord had done the following works: replacement windows and window cills, pointing, insulation of the walls, relaying of floors, new roof, rewiring, and replacement of the boiler in the kitchen. He said the central heating was already in the property. The central heating boiler had been replaced again in 2003.

5. His own improvements included updating the kitchen, modernising the bathroom, fencing, some wiring, boxing in the hot water cylinder, installation of a fireplace, and forming off street parking at the premises. As to the open market rent suggested by the Landlord, he told the Committee that his house was right on the busy main road, and he considered this would be unsafe for a family with children: he proposed £600 as an open market rent. He considered the Rent Officer's figure was correct.

6. Neither party had considered the question of scarcity, or could give any evidence on this matter.

7. The Committee had inspected the property before the Hearing. This was a semi-detached house on the main road, close to All Saints Church; the brickwork and windows appeared sound. There was an L shaped garden. One side of this garden was bounded by a fence, to enable the church hall works to be carried out by the Landlord. This resulted in a temporary shortening of the garden area. The house comprised a front living room, and large kitchen/diner at the rear, with three bedrooms and bathroom/WC on the first floor. There was gas fired central heating. All the Tenant's improvements were carefully noted.

8. The Committee considered the evidence very carefully. Section 70 of the Rent Act 1977 states that in order to determine a Fair Rent, regard shall be had to all the circumstances (other than personal circumstances ) and in particular to the age, character, locality and state of repair of the dwelling. We are aware that we are to make the market rent for such dwelling our starting point, from which we must make an adjustment for any substantial scarcity in accordance with Section 70(2) of the Rent Act. We disregarded all the Tenant's improvements, as we are bound to do under Section 70(3) of the Rent Act. The Committee explained the terms of this Section to the parties, highlighting the fact that 'Fair

Rent' was a technical term relating to the regulated rent which was calculated in accordance with these provisions.

9. The Committee considered first the house next door, but did not find this Rent Officer determination to be compelling evidence. Next we noted the proposed comparables, suggested by the Landlord, and applied in addition our own extensive knowledge and experience of rents in the area. We determined in the light of the position of the house, close to the main road, and the small size of the rooms, a market rent of £725 per month could be achieved for the property in its present condition. Having then disregarded the Tenant's improvements, which we calculated in total at 18.5% and adjusting for the lack of curtains carpets and white goods (which would normally be provided in a market letting) and the difference in terms between such a market letting and the regulated tenancy which we are considering here, we deducted a total of 30%, to arrive at an adjusted market rent of £507.50 per month.

10. As to scarcity, although no evidence of scarcity or its absence was provided, the Committee are aware of its considerable existence in the area of Berkshire and South Buckinghamshire, and we determined that the rate of scarcity to be applied in this case was in the region of 15 %, resulting in a figure of £431.37 per month.

11. However a further adjustment was needed because this rental includes Water Rates. These have been checked at £11.76 per month in the current year, and will rise in the following year. The Committee determined a new Fair Rent of £445 per month, inclusive of Water Rates, but excluding Council Tax. This being a first registration, the capping provisions under the Rent Act (Maximum Fair Rents) Order 1999 do not apply.

Chairman.....*Tessa Flordan*.....Dated.....*23 February 2004*.....