

Southern Rent Assessment Panel

File Ref No.

CHI/43UL/F77/2004/0019

**Rent Assessment Committee: Reasons for decision.****Rent Act 1977****Address of Premises**

Fernleaf Beech  
East Street  
Farnham  
GU9 7TH

**The Committee members were**

Mr. J H S Preston JP FRICS  
Mr. R A Potter FRICS  
Mr. D Wills ACIB

**1. Background**

On 3 November 2003 the landlord, Bickenhall Engineering Co Ltd by their agents Hamways, applied to the rent officer for registration of a fair rent of £1,365. per month for the above property.

The rent payable at the time of the application was £455 per month.

The rent was previously registered on 8 January 2002, with effect from that date at £105 per week following a determination by a Rent Assessment Committee. The uncapped fair rent was stated to be £112.50 per week.

On 7 January 2004 the rent officer registered a fair rent of £116 per week with effect from 8 January 2004 and stated that the uncapped rent was £130 per week.

By a letter dated 20 January 2004 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 17 March 2004, in the presence of the tenant, Mr. R Ranson.

The property is a semi-detached house built in the 1920's. The accommodation comprises: -

Ground Floor: Sitting room; Dining room; Kitchen; Bathroom/WC.

First Floor: Three Bedrooms

The central heating was originally installed by the tenant, but the boiler has been replaced by the landlord. All main services are connected.

The landlord has fitted UPVC double-glazed windows and back door since the last registration.

The house is in fair condition, but some of the ceiling plaster is cracked. The kitchen and bathroom need modernising. The fittings, which were installed by the tenant, are now dated.

Outside there is a yard to the front of the house and a small garden to the rear with side access. There is off-street parking for one car beside the house.

### **3. Evidence**

The Committee received written representations from the landlord with Hamways' letter dated 25 February 2004. They enclosed a copy of the invoice from Crystal Windows and Doors Ltd. for the installation of eight windows and one door. They also provided rental information on properties in Redhill, Guildford, Epsom and Woking with market rents ranging from £866 to £1040 per month.

The tenant made written representation in his letters sent to the Panel Office. He stated that he had carried out some repairs at his expense, although they were the landlord's liability.

Neither party requested a hearing.

### **4. The Consideration and Decision**

When determining the 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 emphasized (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.

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. The landlord's evidence of rental values was not regarded as relevant as none of the properties was in the same locality. It relied upon the Committee's own knowledge of market rent levels in the Farnham area. Having done so, it concluded that the market rent would be £195.00 per week.

This rent would be for a property in good letting condition with carpets, central heating and modern kitchen and bathroom and a full electrical installation. In view of the tenant's representations and their own findings as to the deficiencies in the property, the Committee considered that it was appropriate to make deductions from market rent in respect of the following: -

1. Lack of floor coverings.
2. Lack of modern kitchen and bathroom.
3. Tenant's repair liabilities.
4. Tenant's improvements.
5. Disrepair.

These deductions amount to a total of £57.00 per week.

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

The fair rent determined by the Committee is accordingly £138.00 per week.

The Committee considered whether the installation by the landlord of the UPVC windows and door had the effect of increasing the rental value of the property by at least 15% of the previous registered rent and concluded that it did not. Therefore, 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 £116.50 per week (Details are provided on the back of the decision form).

**Accordingly the sum of £116.50 per week will be registered as the fair rent with effect from 17 March 2004 being the date of the Committee's decision.**

Signed  J H S Preston (Chairman)

Dated 17 March 2004

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