

**Southern Rent Assessment Panel
Ref No.**

File

CHI/43UF/F77/2005/0115

**Rent Assessment Committee: Reasons for decision.
Rent Act 1977**

Address of Premises

1 Lyndale Road
Redhill
Surrey
RH1 2HA

The Committee members were

Mr. J H S Preston JP FRICS
Mr. R A Wilkey FRICS

1. Background

The landlord, Battersea Freehold & Leasehold Property Co Ltd by their agents Hamways, applied to the Rent Officer for registration of a fair rent of £1340.00 per month for the above property. The application was received on 27 April 2005, despite being dated 24 May 2004.

The rent payable at the time of the application was £448.00 per month.

The rent was previously registered on 20 March 2002, with effect from that date, at £441.00 per month. The uncapped rent was stated to be £475.00 per month. This was referred to the Rent Assessment Committee who determined a rent of £448.00 per month with effect from 2 July 2002.

On 10 June 2005 the Rent Officer registered a fair rent of £480.50 per month with effect from that date and stated that the uncapped rent was £525.00 per month.

By a letter dated 23 June 2005 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 31 August 2005, in the presence of the tenant, Miss E Witherall.

The property is an end-of-terrace house built in the 1890's. The accommodation comprises: -

Ground Floor: Hall; Sitting room; Dining room; Kitchen; Larder; WC.

First Floor: Steep staircase to two Bedrooms; Bathroom.

There is no form of central heating. Gas water heaters are fitted in the kitchen and bathroom. All main services are connected.

The house is in fair condition, though the following defects were noted: -

- Basic kitchen with very limited facilities and fittings
- Poor condition of windows
- Poor condition of external paintwork

The tenant has not carried out improvements, but has installed gas fires and an electric radiator and has fitted all white goods and carpets.

There is a small front garden with pedestrian access to the rear garden.

The property is situated in a residential cul-de-sac about 10 minutes walk from local shops.

3. Evidence

The Committee received written representations from the landlord in their letter of 25 August 2005. They referred to what they considered to be comparable market rents, per calendar month, for modernized properties in Redhill (£888.33), Bramley (953.33), Epsom (£1152.67) and Horsell (£1092.00).

No representations were received from the tenant.

Neither party requested a hearing at which oral representations could be made.

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 the cases of *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. It did this by having regard to the evidence supplied by the landlord and to the Committee's own general knowledge of market rent levels in the area of Redhill and Reigate. Having done so it concluded that the market rent would be £775.00 per month.

This rent would be for a property in good letting condition with central heating and modern kitchen and bathroom and some white goods and carpets. In view of their findings as to the deficiencies in the property, the Committee considered that it was appropriate to make deductions, totalling £260.00 per month from market rent to reflect the following: -

1. Lack of white goods and carpets
2. Lack of central heating
3. Lack of modern kitchen
4. Tenant's repair liabilities under this tenancy
5. Disrepair
6. Layout and right-of-way over rear garden

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

The fair rent determined by the Committee is therefore £515.00 per month.

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 £512.00 per month. (Details are provided on the back of the decision form).

Accordingly the sum of **£512.00 per month** will be registered as the fair rent with effect from **31 August 2005** being the date of the Committee's decision.

Signed _____ J H S Preston (Chairman)

Dated 31 August 2005
