



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **CAM/00MC/F77/2022/0002
P:PAPERREMOTE**

Property : **477A Oxford Road Reading RG30 1HF**

Applicant : **Sykes Capital Limited**

Representative : **Mr C Sykes**

Respondent : **Mrs S Rolfe**

Date of Application : **4 January 2022**

Type of Application : **Determination of the registered rent
under Section 70 Rent Act 1977**

Tribunal : **Mrs E Flint DMS FRICS
Mr P Roberts FRICS**

**Date and venue of
hearing** : **22 March 2022
remote hearing on the papers**

DECISION

The registered rent with effect from 22 March 2022 is £200 per week.

This has been a hearing on the papers which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE, a paper determination which is not provisional. A face to face hearing was not held because it was not practicable and all the issues could be determined on the papers. The documents that I was referred to are in a bundle, the contents of which I have recorded.

Background

1. On 30 October 2021 the landlord applied to the rent officer for registration of a fair rent of £253.85 per week for the above property.
2. The registered rent at the date of the application was £192 per week which had been determined by the First Tier Tribunal on 18 September 2018 with effect from the same date.
3. On 16 December 2021, the rent officer registered a fair rent of £205 per week with effect from the same date.
4. On 4 January 2022 the landlord objected to the registered rent.
5. The tenant occupies under the terms of a tenancy agreement which commenced on 15th September 1980. The tenant has covenanted to keep the interior of the premises in good clean and tenable repair and condition. The agreement prohibits sub-letting the premises or part thereof or taking in paying guests.
6. Owing to the Covid 19 restrictions the parties were asked if they would consent to the application being dealt with on the papers. Neither party objected. Written representations were received from the tenant, no representations were received from or on behalf of the landlord.

The Inspection

7. The property, which is part of a detached building comprising commercial premises on the ground floor with residential above and partly to the rear, is situated on a main road and bus route approximately a mile from the town centre.
8. The subject premises are accessed via an alleyway to the side of the building and comprise on the ground floor rear of the building two rooms and a kitchen and on the first floor one double and two single bedrooms and a bathroom/wc, access to the bathroom is via one of the single bedrooms. The main bedroom is over the commercial premises which are currently vacant but were previously occupied as a restaurant.
9. Externally the property is in fair condition. There is a rear garden with brick built shed on the rear boundary.
10. The property is double glazed and centrally heated. Internally the plasterwork throughout is worn and cracked; the ceiling in the main living room is clad in polystyrene tiles. An area of plaster is missing on the rear wall in the kitchen as when the boiler was replaced approximately four years ago there was no making good. The kitchen is very basic and dated: there was only a Belfast sink in situ at the commencement of the tenancy, the tenant has provided a number of

cupboards and a worktop. The walls are part tiled: the tiles are old and in a mix of styles.

11. The bathroom fittings are dated and worn. The bathroom window cannot be fully opened without affecting the privacy of the occupants owing to a landing having been erected outside the adjacent property to provide access to the first floor flat.
12. The white goods, carpets and curtains are the tenant's.

The Evidence

13. Mr Sykes on behalf of the landlord described the premises as being generally in good condition, with the kitchen and bathroom both in reasonable condition. The premises are double glazed and centrally heated. There is a store room in the garden.
14. The landlord referred to a list of comparable properties on the market at between £1100 and £1200 per month. He stated that there was "a massive shortage of 2/3 bedroom properties in Reading and that demand far exceeded supply." The proposed rent equated to £1100 per month which he considered was supported by the comparables.
15. Mrs Rolfe stated that the property was in reasonable condition except for the kitchen and bathroom which she described as being on poor condition. Mrs Rolfe stated that she had provided the carpets, curtains and white goods.
16. She not consider that the property was a semi-detached house. The Valuation Office had described it as a maisonette: it is on the ground and first floors; the ground floor accommodation is to the rear of a commercial unit and the first floor is partly over the former restaurant below.
17. None of the comparables were on a main road. Mrs Rolfe assumed that the comparables referred to by Mr Sykes were in lettable condition with modern or new facilities. Whereas here the kitchen units are over 20 years old, the bathroom fittings are 50 years old, moreover the bathroom is accessed via one of the bedrooms.
18. She stated that the following items of disrepair have been outstanding since the previous registration: a rusted radiator in the bathroom, crumbling wall surface in the kitchen and roof drain pipe which floods when raining.
19. Mrs Rolfe was of the opinion that without significant improvements it was unlikely that the property could be let and therefore the rent should be below that of the comparables. In addition, as there is a lack of similar sized properties scarcity should be taken into account in the calculation of the rent.

The Law

20. When determining a fair rent the tribunal, in accordance with section 70 of the Rent Act 1977, must have regard to all the circumstances including the age, location and state of repair of the property. It also

must disregard the effect if any of any relevant tenant's improvements and the effect of any disrepair or any other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the property.

21. 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:

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 to that of a regulated tenancy, and

That for the purposes of determining the market rent, assured tenancy market rents are usually appropriate comparables; adjusted as necessary to reflect any relevant differences between the comparables and the subject property.

Valuation

22. In the first instance the Tribunal 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 Tribunal relied on the rental evidence supplied by the landlord supported by its own general knowledge of rental values in Reading and concluded that the likely market rent for the property would be £275 per week or £1190 per month.

23. However, it was first necessary to adjust the hypothetical rent of £275 per week to allow for the differences between the terms and condition considered usual for such a letting and the condition of the actual property at the valuation date, ignoring any tenant's

improvements, (disregarding the effect of any disrepair or other defect attributable to the tenant or any predecessor in title). The Tribunal noted that properties available on the open market were modern or modernised, centrally heated and double glazed with white goods, floor and window coverings. The Tribunal considered that these differences and the terms and conditions of the tenancy required a deduction of £55 per week.

24. This leaves an adjusted market rent for the subject property of £220 per . The Tribunal was of the opinion that there was substantial scarcity in Berkshire for similar properties and therefore made a deduction of approximately 10% from the adjusted market rent to reflect this element. The Tribunal's uncapped fair rent is £200 per week.

Decision

25. The uncapped fair rent initially determined by the Tribunal, for the purposes of section 70, was accordingly £200 per week.

13. This is below the maximum fair rent that can be registered by virtue of the Rent Acts (Maximum Fair Rent) Order 1999 (Details are provided on the back of the decision form).
14. **Accordingly the sum of £200 per week will be registered as the fair rent with effect from 22 March 2022 being the date of the Tribunal's decision.**

Chairman: Evelyn Flint

Dated: 28 March 2022

ANNEX - RIGHTS OF APPEAL

- i. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
- ii. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
- iii. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- iv. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

