

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : HAV/43UG/F77/2025/0604

Property: 29 Osborne Road, Egham, Surrey, TW20

9RN

Applicant landlords : Mr V H Gamester and Mrs J M Gamester

Representative : None

Respondent tenants: Mr J M Baker and Mrs A D Baker

Representative : Mr M Baker

Type of application: Determination of a Fair Rent

Section 70, Rent Act 1977

Tribunal members : Mr J G G Wilson MRICS

Mr M J F Donaldson FRICS

Date of inspection: 18 March 2025

Date of hearing : 29 April 2025

Date of decision : 12 May 2025

DECISION

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Decision of the Tribunal

On 12 May 2025 the Tribunal determined a Fair Rent of £222.50 (Two Hundred and Twenty-Two Pounds and Fifty Pence) Per Week to take effect from 12 May 2025.

Background

- 1. In their letter dated 23 October 2024 the landlords (Mr V H Gamester and Mrs J M Gamester) submitted an application for registration of Fair Rent ('RR1') (dated 22 October 2024) to the Rent Officer (received by VOA Durham CSC, but date not given) to register a fair rent of £334 per week for the property, 29 Osborne Road, Egham, Surrey, TW20 9RN ('the property').
- 2. This was an application to re-register the Fair Rent from its previous registration of rent for the property of £142 per week, effective from 2 December 2015.
- 3. A new rent of £220 per week was registered by the Rent Officer, effective from 13 December 2024. The uncapped rent was £231 per week.
- 4. In their letter to the VOA dated 7 January 2025, the landlords gave their objection to the new rent registered and the matter was referred to the First-tier Tribunal Property Chamber (Residential Property), formerly a Rent Assessment Committee.
- 5. The Tribunal issued Directions dated 28 January 2025. The Tribunal does not consider it necessary and proportionate in cases of this nature neither to undertake an inspection, nor to hold a Tribunal hearing unless either are specifically requested by either party or a particular point arises which merits such an inspection and/or hearing.
- 6. The Tribunal in its Directions informed the parties that, unless either party objected, the Tribunal intended to determine the rent on the papers (written representations), paragraph 5. However, at the Tribunal's inspection, which both the tenants and the landlords attended, the Tribunal determined a hearing would be appropriate.
- 7. Similarly, the parties were informed the Tribunal will not inspect the property but will seek to view it on the internet; and goes on to say if it considers it necessary, it may carry out an external inspection, paragraph 6. Following on from paragraph 6 above, having reviewed the two bundles ('the papers'), which comprise 297 pages and 18 pages respectively, the Tribunal determined that an inspection was required.
- 8. The parties were directed to complete and return their Fair Rent Appeal Statement ('Statement') to form their statement of case, within specific time limits, paragraphs 8 12 inclusive. The Statement provides for photographs to be attached, to assist the Tribunal to understand the case and to help the party to present the issues.
- 9. Both parties submitted a Statement in accordance with the Directions. In broad terms, the Statements include a description of the property and various internal and external photographs.

The Property

- 10. The property is a late Victorian (an inlay to the front elevation is dated 1894), semi-detached house, on ground and first floors, of traditional brick construction with a pitched tiled roof. Egham is located just off the A30, to the west of Staines. Junction 13 of the M25 is close by.
- 11. In the RR1 dated 13 December 2024, the number and type of room(s) is listed as: ground floor two rooms, one kitchen, one shower room, WC and one conservatory and first floor three rooms (bedrooms) and one bathroom/WC. Outside there is a small front garden and a larger garden at the rear.
- 12. The Tribunal carried out its inspection of the property on 18 March 2025. The tenants, the tenants' representative and the landlords attended and accompanied the Tribunal at their inspection.
- 13. At its inspection of the property the Tribunal noted the accommodation to be in accordance with the Rent Register, albeit both the small front garden and the larger rear garden have been omitted.
- 14. In outline the Tribunal noted the property's condition and features as follows: the external walls and roof were in repair, both the front and rear gardens are well maintained with mature shrubs, flower beds and trees, gas fired central heating, double glazing, the bathroom and WC equipment, the white goods, the kitchen equipment.
- 15. Overall, the Tribunal found the property to be in repair with slightly dated wall and base units in the kitchen and slightly dated bathroom and WC equipment.

The Tenancy Agreement

- 16. The Tribunal has not been provided with a copy of the Tenancy Agreement, although from the RR1 it is understood to have commenced in 1967.
- 17. From the tenants' Statement, the tenants say that historically there was a verbal agreement between the original landlord and the tenants and that they had consent to complete major works in return for holding the rent at a fixed value.
- 18. The tenant is responsible for the payment of Council Tax and Water Rates. Section 11 of the Landlord and Tenant Act 1985 applies. The tenant is responsible for internal decorations.

Submissions - Fair Rent Appeal Statements and the Hearing

- 19. It is not the Tribunal's intention to give an analysis of all the evidence in the papers, but to outline the overall valuation approaches of the parties, to show that all aspects have been considered.
- 20. Following what the Tribunal says in paragraph 7, the papers comprise 297 pages and 18 pages. At the hearing, which was attended by both parties (other than Mrs Baker), the Tribunal confirmed it was to consider the case

- de novo (from anew) and it would limit its considerations to reach its decision to those points in the parties' Statements, the papers and the submissions given by the parties at the hearing, relevant to the determination of the Fair Rent.
- 21. In their covering letter dated 10 February 2025, the landlords submitted their Statement with enclosures informing the Tribunal they 'only communicate by post or fax...'. The same was sent to the tenant the same day.
- 22. Under 'Your assessment of the rental value of the property', the landlords say 'Attached photo as requested and Agents assessment. [sic]" Martin & Co. Estate Agents in their letter to the landlords dated 10 February 2025 provide a lettings' appraisal for the property and advise to let No. 29 at £2,350 per month to £2,300 per month [sic], with an additional £50 per month to include one pet.
- 23. Martin & Co. include a 'Best Price Guide' for the period from 10 November 2024 to 10 February 2025 which includes in outline, lettings' particulars of three-bedroom terrace houses advertised in the last three months. The rental values of the two properties in Egham are £2,300 per calendar month and £2,600 per calendar month.
- 24. At the hearing, held at Staines County Court, in his oral submission to the Tribunal, Mr Gamester confirmed the Rent Officer's recent re-registration of Fair Rent at the property of £220 per week, with its corresponding uncapped Fair Rent of £231 per week. Mr Gamester went on to say the rent is too low.
- 25. In answer to the Tribunal's question, what are Mr Gamester's assessments of the market rent and Fair Rent? He replied £1,475 per calendar month (£340.38 per week) and £303 per week, respectively.
- 26. Mr Gamester referred to previous registrations of the property as a three-bedroom house. Mr Gamester then went on to explain that under a COP (Court of Protection) Order dated 1991, he had been obliged to commission a survey of the property by Mr Brian Holdaway of Dunlop & Co. Exhibit E to the landlords' Statement is the schedule of accommodation to the survey reported by Messrs Dunlop & Co. The Tribunal notes Dunlop & Co's cover sheet is not included in Exhibit E.
- 27. Mr Gamester's submission is that the alterations carried out by the tenants to install the bathroom/WC on the first floor, which resulted in turning bedroom three into a smaller study/single bedroom, had adversely affected the rental value of the property.
- 28. Mr M Baker, the tenants' representative, asked Mr Gamester to explain how the alterations to create the bathroom/WC on the first floor had adversely impacted on the rental value of the property. Mr Gamester's answer did not address the question.
- 29. Under 'Whether the Maximum Fair Rent Order should not apply (give reasons)', the landlords say, "The amount of improvement works on and since 2012 should ensure that capping will not apply due to costs and

- benefit for the tenancy" [sic].
- 30. In answer to the Tribunal's question to what items of works and costs incurred do the landlords submit are those to which they are to rely, such that section 2(7) of the Rent Acts (Maximum Fair Rent) Order 1999 is to apply? Mr Gamester answered the works set out in their letter to the VOA dated 23 October 2024.
- 31. At this juncture the Tribunal notes the works referred to (the list is not intended to be exhaustive) include: (1) Dr. Sparky (electrical engineers); (2) Witness Statement invoices; (3) various Safety certificates; (4) AR James (heating engineers) report; (5) Affinity Water Ltd; (6) Jason James (building works); (7) DZ Horlov; and (8) Travis Perkins (building sand); The aggregate stated for the invoices listed is £18,258.
- 32. Mr Gamester was asked by the Tribunal to explain why the costs of the various Witness Statements were to be considered as factors to assess the rental value of the property. Mr Gamester was unable to give the Tribunal a satisfactory explanation.
- 33. Under 'Whether the demand for such properties exceeds supply', the landlords' submission in their Statement, with reference to the water supply, is not relevant.
- 34. The tenants' Statement has been given on their behalf by Mr M Baker (the tenants' son) and is dated 22 February 2025.
- 35. The accommodation is confirmed as outlined in paragraph 11 above.
- 36. Under 'Features', it is agreed the gas fired central heating, double glazing, carpets and curtains and the white goods have all been provided by the tenants.
- 37. Under 'Improvements', various items are listed and include (this list is not intended to be exhaustive): the creation of bathroom; a fitted kitchen; installation of central heating; bathroom fully fitted; and converted enclosed sheds (the Tribunal understands this to be what is now referred to as the conservatory).
- 38. Under 'Condition of the property', Mr Baker says, 'The property is in an immaculate state of repair. Maintenance has been completed by the Tenant under the disputed original agreement [sic]."
- 39. Mr Baker does not give his assessment of the rental value of the property but says, "The Tenants have always understood and accepted the opinion of the Fair Rent Officer." Mr Baker says the premium rental value attributed to the property by Martin & Co. is "...entirely due to the care and consideration time and money the tenants have spent on it over the tenancy [sic]."
- 40. Under 'Whether the Maximum Fair Rent Order should not apply (give reasons)', Mr Baker says "The Rent Officers assessment should apply and is accepted by the Tenants [sic]."
- 41. Mr Baker goes on to say the works completed by the landlords have all occurred in the last two years and are related to the infrastructure of the

property and are not improvements; and adds the majority of which are of a statutory nature, under section 11 of the Landlord and Tenant Act 1985.

- 42. Mr Baker then refers to the works with respect to the water supply and the electrical installations.
- 43. Appendix 2 to the Statement is an inspection report given by AJW Inventories dated 9 June 2023. The Tribunal notes: the smoke alarms and the carbon monoxide alarms were tested and were working at the time; all blinds have been fitted by the tenant; and the tenant advised there was a maintenance issue with the hot water.
- 44. At the hearing, Mr Baker gave oral submissions on the verbal agreement with respect to the property maintenance by the tenant, in return for a fixed rental value.
- 45. As to the costs of works to the landlords to be taken into consideration such that section 2(7) of the Order is to apply, Mr Baker re-iterated these works were of a statutory nature (the water supply) and that a partial increase in water pressure with their associated costs do not contribute to the rental value of the property.
- 46. Mr Baker went on to say the conversion of the shed(s) in the garden to a conservatory is well used and immaculately presented.
- 47. Mr Baker's final oral submission was that the second bundle (submitted by the Landlords) given to the Tribunal dated 11 March 2025 is irrelevant for the purposes to determine the rental value of the property.

The Law

When determining a fair rent, the Tribunal, 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 any 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 & Lancashire Rent Assessment 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 comparable lettings. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparable lettings and the subject property).
- 48. The Tribunal is also to have regard to the Rent Acts (Maximum Fair Rent)

Order 1999 ('the Order'), where applicable. Most objections and determinations of registered rents are now subject to the Order, which limits the amount of rent that can be charged by linking increases to the Retail Price Index ('RPI'). It is the duty of the Property Tribunal to arrive at a fair rent under section 70 of the Act, but in addition to calculate the maximum fair rent which can be registered according to the rules of the Order.

- 49. If that maximum rent is below the fair rent calculated as above, then that (maximum) sum must be registered as the fair rent for the subject property.
- 50. Section 2(7) of the Order is as follows, 'This article does not apply in respect of a dwelling-house if because of a change in the condition of the dwelling-house or the common parts as a result of repairs or improvements (including the replacement of any fixture or fitting) carried out by the landlord or a superior landlord, the rent that is determined in response to an application for registration of a new rent under Part IV exceeds by at least 15% the previous rent registered or confirmed.'
- 51. The tenancy is a statutory (protected) periodic tenancy and as such (not being for a fixed tenancy of 7 years or more) is subject to section 11 of the Landlord and Tenant Act 1985, which sets out the landlord's statutory repairing obligations; the tenant is responsible for internal decorations.

Considerations and Valuation

- 52. Having reviewed the papers, the Tribunal first considered whether it felt an inspection was necessary. The Tribunal determined an inspection was necessary and carried out the same on 18 March 2025.
- 53. Both parties attended and accompanied the Tribunal at the inspection. At the property the Tribunal considered whether it felt able to decide this case reasonably and fairly based on the papers submitted only, with no oral hearing. Having read and considered the papers, coupled with its inspection, the Tribunal decided it could not do so.
- 54. Subsequently, after further consultation with the parties, a hearing was arranged and set down for 29 April 2025. Both parties attended the hearing.
- 55. As a preliminary point, the Tribunal agrees with Mr Baker in his submission that the second bundle given by the landlords, dated 11 March 2025, does not assist the Tribunal in reaching its determination of the fair rent of the property.
- 56. In the first instance the Tribunal determined the market rent per week the landlords could reasonably expect to receive on the valuation date, 12 May 2025, on the assumptions the property was in good condition, with floorings, curtains and white goods provided by the landlords.
- 57. From the submissions of the parties, the accommodation assumed the property to comprise, that is to disregard any tenants' improvements, ground floor two rooms, kitchen and bathroom/WC and first floor –

three bedrooms.

- 58. Any increase in rental value attributable to the conversion of the enclosed shed(s) to a conservatory and the creation of the bathroom/WC on the first floor are to be disregarded. It is the Tribunal's understanding from the papers and for these purposes the bathroom and WC are situated on the ground floor. The preferred position of the bathroom and WC would be on the first floor.
- 59. To determine the market rent the Tribunal has considered the evidence provided by the landlords, the tenants' comments there on and its own general knowledge of market rents in north-west Surrey.
- 60. In their Statement the landlords have provided the Tribunal with a lettings market appraisal given by Martin & Co. in which their advice is to let the property at £2,350 per month to £2,300 per month [sic], with an additional £50 per month to include one pet. The rental values of the two comparable houses provided by Martin & Co. to let from November 2024 to February 2025 are £2,300 per calendar month and £2,600 per calendar month. The Tribunal notes from the map provided the comparable properties are close to the subject property.
- 61. Whereas the landlords have not given their assessment of the market rent of the property in their Statement, in reply to the Tribunal's question on the market value of the property, Mr Gamester said £1,475 per calendar month.
- 62. Mr Baker did not give his assessment of the rental value of the property.
- 63. Taking the above into consideration and of its own general knowledge of market rental values in the area, at the valuation date, the Tribunal determined the market rent of the property to be £450 per week, before any adjustment(s) which it deemed applicable were to be applied.
- 64. From the evidence in the parties' Appeal Statements, its inspection and the oral submissions of both Mr Gamester and Mr Baker, the Tribunal has determined that adjustments to the market rent are to be applied to reflect the following:
 - The tenants' provision of central heating.
 - The tenants' provision of double glazing.
 - The tenants' provision of carpets (floor coverings) and curtains.
 - The tenants' provision of the white goods.
 - The tenants' responsibility for internal decorations.
 - The tenants' fitting of the shower room and WC.
 - The tenants' fitting of the kitchen.
 - The position of the shower room and WC on the ground floor.

65. The Tribunal concluded a deduction in aggregate of £187.50 per week be applied to the market rent, made up of as follows:

Central Heating	£37.50
Double Glazing	£12.50
Carpets (floor coverings) and curtains	£12.50
White goods	£7.50
Internal decorations	£12.50
Shower and WC	£50
Kitchen	£50
Shower and WC on the ground floor	<u>£5</u>

£ Per Week £187.50

- 66. £450 per week minus £187.50 per week, to equal, £262.50 per week.
- 67. Turning to the question of scarcity, that is whether the demand for such properties exceeds supply, neither party addresses the subject. With its general knowledge of the lettings market in the area, the Tribunal has concluded there is no adjustment required for scarcity in this registration of fair rent.
- 68. Finally, the Tribunal is required to address the question whether section 2(7) of the Maximum Fair Rent Order applies. The landlords submit that the capping legislation does not apply to this registration and to support their argument they rely on the works carried and listed in their letter dated 23 October 2024 to the VOA.
- 69. The Tribunal outlines the works carried out and costs incurred on which the landlords rely in paragraph 31 above. The aggregate of the costs of the works and costs incurred is £18,258.
- 70. For section 2(7) to apply the works to which the Tribunal has been referred are to have added at least 15% to the previously registered fair rent of the property. The previous registration of fair rent was in December 2015 at £142 per week (15% of £142 to equal £21.50, rounded up). The corresponding uncapped rent was £170 per week (15% of £170 to equal £25.50, rounded up).
- 71. Whereas the landlords' submission is that section 2(7) of the Order is to apply, it is unclear from their Statement and the papers generally whether they were both aware of the contents of and understood the requirements of the section. Save to refer the Tribunal to the items of works and costs, the landlords provide the Tribunal with neither valuation evidence nor corresponding analyses to support their claim.
- 72. Mr Baker in his submissions, both in his Statement and at the hearing, questioned the relevance of works to result in a partial increase in water pressure at a property to be reflected in a corresponding increase in its rental value; and goes on to point out the works to the water supply are of a statutory nature in any event.

- 73. The Tribunal asked Mr Gamester to explain the relevance of the costs of Witness Statements as a factor in assessing the rental value of a property. Mr Gamester was unable to give the Tribunal a satisfactory explanation.
- 74. The Tribunal agrees with what Mr Baker says regarding the water supply works, outlined in paragraph 45. Taking all the items Mr Gamester has directed at the Tribunal that might otherwise be deemed to be a factor in determining a rental value, would add no more than a nominal percentage sum to the property's rental value. Accordingly, the '...at least 15%' threshold requirement of the Order has not been met.

Decision

- 75. Accordingly, having made the adjustments listed above and having applied the Order, The Tribunal determined the Fair Rent of the property be re-registered at £222.50 (Two Hundred and Twenty-Two Pounds and Fifty Pence) Per Week, to take effect from 12 May 2025.
- 76. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply because the rent determined, which the Tribunal calculated to be £262.50 (Two Hundred and Sixty-Two Pounds and Fifty Pence) Per Week, is more than the maximum prescribed.

RIGHTS OF APPEAL

- 1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making a written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
- 2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- 3. If the person wishing to appeal does not comply with the 28 days' time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 days' time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
- 4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal and state the result the party making the application is seeking.