



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

Case Reference : **CHI/43UF/F77/2018/0068**

Property : **19 Chipstead Way
Banstead
Surrey SM7 3JH**

Type of Application : **Determination of a fair rent:
Rent Act 1977**

Date of Decision : **16 January 2019**

REASONS FOR THE DECISION

Background

1. On 06 September 2018 the landlord's agent made an application to register the rent of the property at £1,027.00 per calendar month.
2. On 23 October 2018 the Rent Officer registered the rent at £1,003.50 per calendar month exclusive of rates with effect from 03 December 2018.
3. On 31 October 2018 the Tenant objected and the matter was referred to the First Tier Tribunal (Property Chamber). Directions were issued dated 16 December 2018.
4. The Tenant made brief representations to the Rent Officer who organised a consultation at the property. Neither party submitted representations in response to Directions or requested an oral hearing.

Inspection

5. On 16 January 2019 the Tribunal inspected the property accompanied by the Tenant, the Landlord was not represented.

6. The property is a three bedroom semi-detached house probably constructed in the 1930s of brick with rendered elevations under a pitched, tile-covered roof. It was not in good condition. There is however serious damp penetration to the chimney breast in the larger front bedroom and the external gable rendering is beginning to crack.
7. The accommodation comprises: Ground Floor: Entrance Hall; Living Room; Kitchen fitted with worktops, cupboards and stainless steel sink. First Floor: Landing; Three Bedrooms; Bathroom with W.C. bath and washbasin.
8. There is gas-fired central heating and an electric immersion heater.

Representations

9. When making her objection to the rent fixed by the Rent Officer the Tenant pointed out her personal circumstances and said she could not afford the increase. The Landlord did not make any representations.

The law

10. When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, must have regard to all the circumstances including the age, location and state of repair of the property. It must also disregard the personal circumstances of the Landlord or the Tenant and 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.
11. 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).
12. For the purpose of determining the market rent, assured tenancy rents (market rents) are usually appropriate comparables. (These rents have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

Valuation

13. 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 on the terms and in the condition that is considered usual for such an open market letting.
14. Neither party provided any evidence of open market lettings, so we therefore relied on the general information provided by the rent service and our own knowledge of general rent levels for this type of property in the locality and determined that the starting point should be £1,600.00 per calendar month.
15. However, the rent referred to in the above paragraph is on the basis of a modern open market letting of a centrally heated property where the tenant has no liability to carry out repairs or decorations and the landlord supplies white goods, carpets and curtains.

16. In this case there is central heating but the Tenant supplies her own white goods, carpets and curtains and the terms of this tenancy require the tenant to carry out internal decorations. The house is not in good condition. A deduction must be made for these differences. The Tribunal has therefore made the following deductions from the starting point of £1,600.00 per calendar month.

a. Decorating obligations	£20.00
b. Carpets/curtains	£60.00
c. White goods	£40.00
d. Dated kitchen and bathroom fittings	£50.00
e. General disrepair	£30.00

Total deductions £200.00 per month

17. We then considered the question of scarcity as referred to in paragraph 11 above. There is strong demand in this locality and a limited supply so we concluded that there should be an adjustment of 10% on the net rent, £140.

18. We therefore determined that the uncapped Fair Rent is £1,260.00 per calendar month exclusive of council tax and water rates.

19. As this amount is above the rent calculated in accordance with the Maximum Fair Rent Order details of which are shown on the rear of the Decision Notice we determine that the lower sum of **£1,004.50 per calendar month** is registered as the fair rent with effect from **16 January 2019**.

Chairman: B H R Simms

Date: 16 January 2019

PERMISSION TO APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) on a point of law must seek permission to do so by making written application 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-day 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-day 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.