



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

**Case Reference** : **CHI/24UH/F77/2019/0011**

**Property** : **10 Homewell,  
Havant  
Hants  
PO9 1EE**

**Type of Application** : **Determination of market rent: Housing  
Act 1988**

**Tribunal Members** : **Mr B H R Simms FRICS (chairman)  
Mr R A Wilkey FRICS**

**Date of Decision** : **08 April 2019**

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**REASONS FOR THE DECISION**

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**Background**

1. On 19 December 2018 the Landlord's agent made an application to register the rent of the property at £151.00 per week. On 12 February 2019 the Rent Officer registered the rent at £145.50 per week with effect from 13 March 2019.
2. On 20 February 2019 the Tenant objected and the matter was referred to the First Tier Tribunal (Property Chamber). Directions for the conduct of the case were issued dated 12 March 2019.
3. Both parties submitted written representations in response to Directions but neither party requested an oral hearing. The Tribunal proceeded to determine the rent based on its inspection and the documents received.
4. The Notice of the decision is issued separately.

## **Inspection**

5. On 08 April 2019 the Tribunal members inspected the property accompanied by the Tenant and Mr & Mrs Mullins his daughter and son-in-Law. The Landlord was not present or represented.
6. The property comprises an inner terrace two-storey house located on a traffic-restricted street adjoining the town centre. Immediately opposite is the church with its graveyard.
7. The accommodation comprises: Ground Floor: Living Room, leading to Rear Room, leading to kitchen now with fitted worktops and cupboards; There are steep stairs to the First Floor: Two Bedrooms and a Bathroom with bath, washbasin and W.C. Outside there is a small strip of garden at the front, at the rear there is an Outside W.C. and a communal area leading (across a right-of-way) to a long rear garden.
8. The kitchen units were supplied and fitted by the Tenant replacing the original copper and range some time ago. The Tenant has supplied an electric storage water heater to supply hot water to the sink. In the bathroom there is a combination tank supplying hot water by electric immersion heater only to the bath and basin. There is no central heating.
9. The Tenant has replaced several of the internal doors. The windows and external doors are modern plastic units with double glazing to the rear and single glazing to the front. The external door and window to the outside W.C. are in poor repair and decoration.

## **Representations**

10. When writing to the Rent Officer objecting to the rent registered Mr Chapman, the Tenant, pointed out that he had lived at the house for over 70 years and he has maintained the interior. He says that the increase in rent is 11% which is 9% above the current rate of inflation. He would reluctantly accept £136.00 per week. He points out that there have been no additional Landlord's improvements to the property. He also mentioned his poor personal financial circumstances.
11. In response to the Tribunal's Directions Mr Chapman repeated the points made to the Rent Officer and emphasised that the facilities at the house are basic.
12. Mr N Holmes of Grainger plc the Landlord's agent submitted a pro-forma representation in response to the Tribunal's Directions. He describes the property, its location and includes in the accommodation 'gar'. For the avoidance of doubt the Tribunal noted that there is no garage at the property.

13. In support of the proposed rent of £151.00 per week Mr Holmes mentions a 2 bedroom semi-detached houses in Havant offered at £213.00 per week and a 2 bedroom terrace house in Leigh Park offered at £207.00 per week. From these he deduces that the market rent for the subject property would be £208.00 per week when fully modernised. He then indicates that the rent set by the Rent Officer at £145.50 per week is also reasonable. He doesn't support a deduction for scarcity as he believes that demand does not exceed supply.

## **The law**

14. 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.
15. 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).
16. 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).
17. The Maximum Fair Rents Order<sup>1</sup> ("MFR") introduced statutory maximum (capping) limits to fair rents calculated using a formula based upon the previously registered rent, a standard addition and an inflation factor.

## **Valuation**

18. 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. The Tribunal was partly assisted by the comparables submitted by the landlord but only one set of agent's details were supplied relating to a property in a different location we therefore also relied on our own knowledge of general rent levels for this type of property in the locality and determined that the starting point should be £208.00 per week.

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<sup>1</sup> The Rent Acts (Maximum Fair Rent) Order 1999 SI 1999 No. 6

19. The Tribunal does not assess the rent based on a % inflation adjustment, as suggested by the Tenant, this is taken account in the MFR calculation (see paras 17 & 26). Also the Tribunal is prevented by statute<sup>2</sup> from taking into account the personal circumstances of either party.
20. However, the rent referred to in the above paragraph is on the basis of a modern open market letting of a house with central heating where the tenant has no liability to carry out decorations and the landlord supplies white goods, carpets and curtains.
21. In this case the Tenant supplies their own white goods, carpets and curtains and the terms of this tenancy require the tenant to carry out internal decorations.
22. There is no central heating and the tenant has made improvements that will increase the rental value of the property. Deductions must be made for these differences. The adjustment does not relate to the cost of providing or dealing with the differences but it is our opinion of the reduced bid that a hypothetical tenant would make for the subject property when comparing it with a property that does not differ in this way.
23. The Tribunal has therefore made the following deductions of £51.00 from the starting point of £208.00 per week:

a. Additional decorating obligations	£5.00
b. Tenant's improvements to kitchen	£11.00
c. Carpets & curtains	£9.00
d. White goods	£7.00
e. Lack of central heating & kitchen hot water	£14.00
f. Shared access and garden layout	£5.00

Adjusted rent £157.00 per week

24. We then considered the question of scarcity as referred to in paragraph 15 above. The Landlord suggests that there should be no adjustment and we agree that scarcity would not apply in the area of urban South Hampshire.
25. We therefore determined that the uncapped Fair Rent is £157.00 per week exclusive of council tax.
26. 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 **£145.50 per week** is to be registered as the fair rent with effect from 08 April 2019.

Chairman: B H R Simms  
Date: 08 April 2019

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<sup>2</sup> Rent Act 1977 S.70 (1).

## **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.