



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

**Case Reference** : **MAN/00BN/F77/2019/0019**

**Property** : **18, Peveril Crescent,**  
**Manchester** : **M21 9NS**

**Tenant** : **Mr. C.Burke**

**Landlord** : **Northumberland & Durham  
Property Trust Limited**

**Representative** : **Grainger plc**

**Type of Application** : **Rent Act 1977 – Section 70**

**Tribunal Members** : **Tribunal Judge C.Wood  
Mr.J.Rostron**

**Date of Decision** : **26 April 2019**

**Date of Reasons** : **31 May 2019**

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**DECISION**

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## **1. Order**

The Tribunal determines that the fair rent payable is £432.28 per month, (inclusive of £27.29 for services (variable)) .

## **2. Background**

2.1 The Tenant holds under a monthly tenancy governed by Part VI of the Rent Act

1977 (“the Act”). By an application dated 6 December 2018, the Landlord applied to the Rent Officer for registration of a fair rent of £508.21 per month. The last registered rent on 7 March 2017 was £400.78 per month, (inclusive of £35.78 for services (variable)) .

2.2 On 22 January 2019, the Rent Officer registered a rent of £404.00 per month, (inclusive of £27.29 for services (variable)).

2.3 By letter dated 15 February 2019, the Landlord objected to the rent as registered and requested the Rent Officer to refer the matter to the First Tier Tribunal (Property Chamber) (“the Tribunal”), and so the fair rent to be registered in respect of the Property fell to be determined by the Tribunal.

2.4 The application was scheduled for determination on Friday 26 April 2019, with an inspection of the property on the same date at about 10:00.

## **3. Inspection**

3.1 The Tenant and the Landlord’s representative, Mr.D.Hancock of Grainger plc, were present at the Property during the inspection.

3.2 The Property is a second floor self-contained flat in a purpose-built block. The accommodation comprises open-plan living room/dining room, kitchen, 1 double bedroom and bathroom. There is double-glazing at the Property but no central heating. When originally built, the Property had under-floor heating but this had been removed subsequently; heating was provided by an electric fire in the living room

and water was heated by an immersion heater. The Property has the benefit of a garage.

3.3 The Tenant pointed out the following to the Tribunal:

- (1) the Tenant had installed additional wall cupboards and work surfaces in the kitchen;
- (2) the Tenant had installed wardrobes and bedside unit in the bedroom;
- (3) the Tenant had replaced the original 2-bar electric fire in the lounge with a new electric unit;
- (4) cracking in the ceiling caused, according to the Tenant, by the defective installation of the plaster boards to the joists;

3.4 The Tribunal noted that the bathroom fittings were dated. The white goods, carpets and curtains were provided by the Tenant.

#### **4. The Law**

4.1 When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, has regard to all the circumstances, save for personal circumstances, including the age, location and state of repair of the property. It also, as required by law, disregards 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 this way a landlord does not benefit by way of increased rent from any tenant's improvements and the tenant does not benefit from any defaults on his or her part that would otherwise have lowered the rental value of the property.

4.2. 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

- (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. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

## 5. Reasons

5.1 In making its determination, 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. It did this by having regard to its own general knowledge of market rent levels in the locality.

5.2 The Tribunal determined as follows:

- (i) that an open market rent for a comparable property would be £600.00 per month;

(ii) this rent was then adjusted as follows:		£ per
month		
Open market rent per month	:	600.00
Less:		
Lack of provision of white goods, carpets and curtains	:	<u>60.00</u>
		540.00
Less:		
Landlord's necessary improvements/neglect:		
dated bathroom fittings:	35.00	
lack of central heating:	<u>35.00</u>	
		<u>70.00</u>
		470.00
Less:		
Tenant's improvements:		
Installation of kitchen fittings:		<u>35.00</u>
		£435.00
Fair Rent (inclusive of £27.29 for services (variable)):		<u>£432.29</u>

- 5.3 The fair rent to be registered is the maximum fair rent as prescribed by the Rent Acts (Maximum Fair Rent) Order 1999. The rent that would otherwise have been registered was £435.00 per month (including £27.29 for services (variable)).
- 5.4 The Tribunal does not consider that in the present-day market, there is any substantial scarcity element and accordingly no further deduction is made for scarcity.

**Signed: Judge C Wood**

**Dated: 31 May 2019**