



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

Case Reference : **CHI/24UJ/F77/2019/0023**

Property : **25 New Street, Ringwood,
Hampshire BH24 3AD**

Type of Application : **Decision in relation to Rent Act
1977**

Date of Decision : **24 June 2019**

Reasons for the decision

Background

1. On 31 January 2019 the landlord made an application to register the rent of the property at £175.20 per week.
2. On 22 March 2019 the Rent Officer registered the rent at £151.15 per week exclusive of rates with effect from 24 April 2019.
3. On 23 April 2019 the landlord objected, and the matter was referred to the First Tier Tribunal, Property Chamber.

Inspection

4. We inspected the property in the company of the tenant. The landlord did not attend. We found the property to be a two-storey semi-detached house built of brick under a tiled roof at the turn of the 20th century.
5. The accommodation comprises a hall with stairs up, a front living room with bay window, a rear living room with door to the kitchen from

which a door led to the tenant's conservatory and garden. Narrow stairs lead from the hall to the first floor which contained a rear single bedroom, front double and good sized rear bathroom.

6. There are gardens front and rear with an outside WC and store.
7. No landlord's heating is provided. The windows and external doors are UPVC double glazed units, the kitchen and bathroom fittings are in need of replacement. The tenant has provided the conservatory.

Representations/ Hearing

8. In representations dated 3 June 2019 Grainger plc on behalf of the landlord accepted that the property may not be equivalent to modern standards, but that work was undertaken when reported by the tenant. In support of their proposed rent of £175.20 per week they referred to 2 properties available to let; New Street at £196 per week and Hightown Road at £208 per week. They took £196 per week as the starting point for their valuation.
9. The rent of £196 per week was then adjusted by "*Using the theoretical figure of £2.50pw per benefit/improvement*" of the comparable property for gas central heating, modernised bathroom and kitchen, floor coverings, white goods/appliances resulting in a deduction of £12.50. "*The Proposed rent of £175.20 is still £8.30 cheaper than the lowest market rent tenancy currently available within 1 mile of the subject property.*"

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 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. Case law informs the Tribunal;
 - 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).

Valuation

12. Thus, 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 letting details provided by the landlord were of assistance although we considered that the properties were inferior to the subject. Using our own general knowledge and experience we determined that the starting point should be £210 per week.
13. However, the rent referred to in the above paragraph is on the basis of a modern open market letting with where the tenant has no liability to carry out repairs or decorations, has central heating and the landlord supplies white goods, carpets and curtains. In this case there is no landlord's heating, the Tenant supplies white goods, carpets and curtains, the bathroom and kitchen require replacement and the tenant is responsible for internal decoration. We noted the deductions made by the landlord but do not consider them to be sufficient.
14. In making its own adjustments to reflect the lower bid a prospective tenant would make to reflect the differences between the property in a modern lettable state and that as found by the Tribunal we make a deduction of 30% arriving at a rent of £147.00 per week.
15. We then considered the question of scarcity as referred to in paragraph 12a above and determined that there was none in this area of Hampshire.
16. We therefore determined that the uncapped Fair Rent is £147.00 per week exclusive of council tax and water rates with effect from 24 June 2019.
17. As this amount is below 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 sum of £147.00 per week** is registered as the fair rent with effect from today's date.

D Banfield FRICS (Chairman)
M J F Donaldson FRICS MCI Arb MAE
24 June 2019

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) 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. 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.

2. 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.

3. 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.