



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

Case Reference : **BIR/00GG/F77/2019/0019**

Property : **52, Park Lane, Shifnal, Shropshire,
TF11 9HD**

Applicant : **Northumberland and Durham
Property Trust Ltd**

**Applicant's
Representative** : **Grainger plc**

Respondent : **Mrs Sylvia Head**

**Respondent's
Representative** : **None**

Application : **Application for determination of fair rent
Under s70 Rent Act 1977 and the Rent Acts
(Maximum Fair Rent) Order 1999**

Tribunal : **Tribunal Judge P. J. Ellis.
Tribunal Member Sarah Hopkins FRICS.**

**Date of Inspection
And Decision** : **18 June 2019**

**Date of Extended
Reasons** : **15 August 2019**

DECISION

Introduction

1. On 18 June 2019 the Tribunal inspected 52, Park Lane, Shifnal, Shropshire TF11 9HD (the Property) in response to an application by Grainger plc on behalf of the Northumberland and Durham Property Trust plc from a decision of the rent officer to determine a fair rent with effect from 2 December 2018.
2. The rent registered was £90.00 per week with effect from 2 December 2018. The last registration in December 2016 was £85.00 per week.
3. Mrs Sylvia Head is the regulated tenant of the Property. She has lived in the Property since 1982. The Tribunal made its determination after the inspection and issued it to the parties on 19 June 2019. By letter dated 26 June 2019 the Respondent asked the Tribunal for its reasons for the decision.
4. The matter was referred to the Tribunal on 4 April 2019 when it was asked to consider a late objection to the rent registered by the Rent Officer. The circumstances leading to the late application were that Grainger plc on behalf of the Applicant wrote to the Valuation Office Agency objecting to the new rent on 24 November 2018 but the objection was overlooked by reason of an error. The Tribunal accepted the explanation and directed that the Property be inspected on 18 June 2019. As neither side requested a hearing the matter was dealt with by determination on the papers.
5. The Tribunal received a brief submission from the Applicant but Mrs Head made no written submissions. Mr Tucker, Portfolio Manager of Grainger plc attended the inspection but made no further submissions. Mrs Head was present during the inspection. The Tribunal summarises the representations taking account of written and oral material provided to it.

The Property

6. 52 Park Lane is an end of terrace three bedroom property of standard brick and tile construction. The terrace comprises three properties. From an external observation what is now a three building terrace originally comprised two smaller buildings. At some time well before commencement of the tenancy the original structure was enlarged by adding additional height and adding the third building which comprises the Property.
7. Mrs Head and her late husband fitted double glazing throughout shortly after taking occupation in 1982 with the aid of a grant from the local authority. There is no central heating. Space heating is provided by electric heaters in each room. Water is also heated by electricity.

8. The ground floor has a living room immediately off the front entrance door and a kitchen immediately off the living room. There are two steps down to the kitchen from the living room. The walls of the kitchen are painted brick. All white goods were supplied by the tenant. There is no seating in the kitchen.
9. A separate w/c and bathroom are off the kitchen in a small purpose built extension. There is also a small store once a coal store off the kitchen. A small open porch beyond the back door was fitted at the same time as the double glazing.
10. Stairs from the kitchen lead to the upper floor with two double bedrooms and one single bedroom.
11. Externally there is a large garden area once cultivated by Mrs Head's late husband but now covered in lawn. There is a separate garage for one vehicle.
12. All carpets, curtains, white goods, furniture and heating appliances were provided by the tenant. The Applicant had made no additions or alterations to the Property since the last rent registration other than to construct a simple set of steps to the garden from a path at the side of the Property. The steps were unsuitable for a person of Mrs Head's age as there was no support rail.

Applicant's submissions

13. The Applicant contended the rent should be £105.00 per week having regard to other properties within three miles of the Property which were supposedly comparable.

The Law

14. 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 other defect attributable to the Tenant or any predecessor in title under the Regulated Tenancy, on the rental value of the property.
15. In *Spath Holme Limited v Chairman of the Greater Manchester, etc. Committee* [1995] 28HLR107 and *Curtis v London Rent Assessment Committee* [1999] QB92 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 were 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

16. Notwithstanding the general assertion of comparables within three miles, the Applicant produced only one example, a three bedroom semi-detached property on Bothfield Road Shifnal which was within one mile of the Property offered at £160.00pw or £695.00pcm. The agents' particulars for this property describe it in the following terms:

“This larger than average 3 Bedroom house offers wonderful modern contemporary accommodation. With (elec cooker and ceramic hob included), and bathroom with shower over bath. The property enjoys a living room, separate Dining room/2nd sitting room, a downstairs toilet and an excellent adjoining storage room. There are also 2 large double bedrooms, plus a larger than average 3rd bedroom. The property overlooks a private front aspect with a large rear garden featuring decked areas and a vegetable plot. Off road parking to the side. GAS C/H. UPVC D/G”

17. The subject Property does not have three large bedrooms, gas central heating, modern kitchen and bathroom fittings. There is one small living room and a kitchen. There is no door to the stairs but opening is closed off by a curtain. The comparable submitted is significantly larger and better equipped than the subject Property.
18. The Tribunal having made adjustments for size, layout and condition, relied upon the general information provided by the Rent Service and its own general knowledge of rents levels for this type of property in the locality. It also considered the comparable property submitted by the Applicant. The Tribunal concluded the market rent for this Property was in the region of £575.00 per calendar month for the reasons set out below.
19. The Tribunal then considered the question of scarcity although no evidence was submitted by either party. This was done by considering whether the number of persons genuinely seeking to become tenants of similar properties in the wider area of the West Midlands on the same terms other than rent is substantially greater than the availability of such dwellings as required by section 70(2) of the Rent Act 1977. The Tribunal is aware of a high demand for rural and semi-rural properties in and around Telford and Wrekin, east Staffordshire and Shropshire. Generally, demand for two and three bedroom

property (semi, terraced and detached) is high and exceeds the supply of properties available to let. The Tribunal therefore found that there was scarcity

Decision

20. The Tribunal is satisfied that the subject property is smaller and with less accommodation than the comparable property. The house at present is in only fair condition, the kitchen fittings are the tenants and the bathroom fittings are outdated. The living room is quite small. There is limited space for table and chairs. The third bedroom is for a single bed only. The second bedroom is large enough for a double bed but little other furniture. A deduction is made by the Tribunal for these differences. In good condition the market rent for the Property would be between £575.00 per calendar month or £132.00 per week.

21. The Tribunal made the following deductions:

a. Central heating	£12.00
b. Double glazing now quite old	£3.00
c. Kitchen refit	£4.00
d. Bathroom refit	£3.00
e. Over bath shower	£1.00
f. Wardrobes	£0.50
g. Carpets and curtains	£8.50
h. White goods	£5.00
i. Decorating liability not less than 5%	£3.00
Total for adjustments	£40.00
Adjusted weekly rent before scarcity	£92.00
Scarcity 10%	£9.00
Fair Rent	£83.00

22. The Tribunal determined that the fair rent for the Property was therefore £83.00 per week.

23. The maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 is £95.00 per week. This, therefore, has no impact on the rental determined by the Tribunal. Details of the maximum fair rent calculation have been provided with the previously released decision.

DECISION

24. The fair rent determined by the Tribunal for the purposes of Section 70 was, therefore, £83.00 per week with effect from 18 June 2019.

25. In reaching its determination, the Tribunal had regard to the evidence and submissions of the parties, the relevant law and their own knowledge and experience as an expert Tribunal but not any special or secret knowledge.

Appeal

26. If either party is dissatisfied with this decision they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) on a point of law only. Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this decision which is given below (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013) stating the grounds upon which it is intended to rely in the appeal.

Judge PJ Ellis
Chair