



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

Case Reference : **CHI/24UP/F77/2019/0030**

Property : **1 Hoe Farm Cottage, Hoe Road,
Bishops Waltham, Southampton,
Hampshire SO32 1DS**

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

Date of Decision : **29 July 2019**

Reasons for the decision

Background

1. The landlord made an application to register the rent of the property at £700 per month.
2. On 7 May 2019 the Rent Officer registered the rent at £171.50 per week exclusive of rates with effect from the same date. The uncapped rent was stated to be £180 per week.
3. On 20 May 2019 the tenant 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 Mr Earley together with Mrs Earley and Mrs P Green for the landlord. We found the property to be a two-storey detached house on a large plot abutting a main road built of brick under a tiled roof.

5. The accommodation comprises a narrow hall, bathroom/WC, utility room, kitchen, dining room and living room on the ground floor with two double bedrooms and a box room on the first floor.
6. The fitted kitchen and bathroom suite have been replaced by the tenant and central heating installed under the “Warm Front” scheme. The utility room was originally converted by the tenant from a single storey concrete block storage lean to. The windows have been replaced by the landlord with uPVC double glazed units.
7. Outside are substantial well kept gardens in which there is a large garage supplied by the landlord and several outbuildings owned by the tenant.

Representations

8. Neither party made representations as required by the Tribunal’s Directions or requested an oral hearing.
9. In the letter of objection to the Rent Officer dated 20 May 2019 Mr Earley says that “everything in the kitchen was installed by me except a new sink & tap” that he converted “the garden shed into a utility room”, that there is just a galley kitchen and that central heating was installed by me at a cost of £1,600.
10. Although a hearing had not been requested as both parties were present at the inspection the Tribunal asked for clarification regarding the central heating installation. Mrs Green confirmed that the landlord had not met the cost and Mr Earley confirmed that it had been installed under the Warm Front scheme access to which was not available to the landlord.

The law

11. 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.
12. 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

13. 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. Neither party provided any details of comparable lettings to assist the Tribunal. It was noted that the Rent Officer considered that £230 per week was an appropriate starting point and, using our own general knowledge and experience we confirmed that the starting point should be £230 per week.
14. 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 the Tenant supplies white goods, carpets and curtains, the bathroom and kitchen fittings are tenant's replacements and the utility room has been converted by the tenant.
15. With regard to central heating, whilst not paid for by the landlord, central heating provided under the Warm Front Scheme automatically becomes the property of the landlord after 2 years and no adjustment is therefore required for this element.
16. 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 provided by the landlord we make a deduction of 20% arriving at a rent of £184.00 per week.
17. 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.
18. We therefore determined that the uncapped Fair Rent is £184.00 per week exclusive of council tax and water rates with effect from 29 July 2019.
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 £174.00 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
29 July 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.