

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CHI/43UE/F77/2019/0034

23 Rothes Road

Property : Dorking

Surrey RH4 1LG

Type of Application : Determination of a fair rent:

Rent Act 1977

Date of Decision : 11 September 2019

Tenant : Mr J Bartholomew

Landlord : Bradford Property Trust

REASONS FOR THE DECISION

Background

- 1. On 23 April 2019 the landlord's agent, Grainger PLC, made an application to register the rent of the property at £250.00 per week in place of the existing rent of £216.50 per week.
- 2. On 29 May 2019 the Rent Officer registered the rent at £225.00 per week exclusive of rates with effect from 18 July 2019.
- 3. On 04 July 2019 the Landlord's agent objected to the rent registered and on 10 July 2019 the Rent Officer referred the case to the First Tier Tribunal (Property Chamber). Directions for the conduct of the case were issued to the parties dated 15 July 2019.
- 4. The Tenant made representations dated 23 July 2019. The Landlord made no response to the Directions. Neither party requested an oral hearing.

Inspection

- 5. On 11 September 2019 the Tribunal members inspected the property accompanied by the Tenant, the Landlord was not present or represented.
- 6. The property is a two bedroom Victorian semi-detached house built of brick under a pitched, slate-covered roof. There is a small garden at the front and a larger garden to the rear. It was in satisfactory condition with replacement double glazed windows. There is central heating but the kitchen and bathroom are not fitted to a modern standard.
- 7. The accommodation comprises: Ground Floor: Two Living Rooms; Kitchen with stainless steel sink worktops and cupboards; First Floor: Small Landing; Two Bedrooms; Bathroom with bath, washbasin and W.C.

Representations

- 8. The Tenant made several points indicating that the rear garden paving, refurbishment of the outside W.C., repair to the rear door and some ground floor external decorating had been carried out at his expense. Also he had installed and re-fitted & tiled the kitchen and had replaced the bathroom fittings, except for the bath.
- 9. The Landlord made no representations.

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 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.
- 11. 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).
- 12. 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).
- 13. The Rent Acts (Maximum Fair Rents) Order 1999¹ ("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.

¹ The Rent Acts (Maximum Fair Rent) Order 1999 SI 1999 No. 6

Valuation

- 14. 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.
- 15. Neither party provided evidence or an opinion of rental value. We relied on the general information provided by the rent service and also our own knowledge of general rent levels for this type of property in the locality and determined that the starting point should be £285.00 per week.
- 16. However, the rent referred to in the above paragraph is on the basis of a modern open market letting of a centrally heated property where the tenant has no liability to carry out repairs or decorations and the landlord supplies white goods, carpets and curtains.
- 17. In this case the Tenant supplies his own white goods, carpets and curtains. The terms of this tenancy also require the tenant to carry out internal decorations. A deduction must be made for these differences. The Tribunal has therefore made the following deductions from the starting point of £285.00 per week. These are the Tribunal's opinion of the reduced rental bid that would be made by a hypothetical tenant when allowing for the deficiencies.

| a. | Onerous Tenant's decorating obligations | £5.00 |
|----|---|--------|
| b. | Carpets/curtains | £10.00 |
| c. | White goods | £10.00 |
| d. | Dated bath | £10.00 |
| e. | Kitchen provided by Tenant | £15.00 |

Total deductions £50.00 per week

- 18. We then considered the question of scarcity as referred to in paragraph 11 above. There is no evidence of anything other than a balance of supply and demand in this locality and a limited supply so we conclude that there should be no adjustment for scarcity.
- 19. We therefore determined that the uncapped Fair Rent is £235.00 per week (£285.00 less £50.00).
- 20. As this amount is below the maximum rent calculated in accordance with the MFR, details of which are shown on the rear of the Decision Notice, we determine that the lower sum of £235.00 per week is registered as the fair rent with effect from 11 September 2019.

Chairman: B H R Simms

Date: 11 September 2019

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.