



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

Case Reference : **CHI/00HY/F77/2019/0043**

Property : **Old Post Office Cottage,
Winterbourne Gunner, Salisbury,
Wiltshire SP4 6EG**

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

Date of Decision : **11 November 2019**

Reasons for the decision

Background

1. The landlord made an application to register the rent of the property at £218.35 per week.
2. On 25 July 2019 the Rent Officer registered the rent at £220.50 per week exclusive of rates with effect from the same date. The uncapped rent was stated to be £235 per week.
3. The tenant objected and the matter was referred to the First Tier Tribunal, Property Chamber.
4. The Tribunal made standard directions on 10 October 2019 requiring the landlord to send to the tenant and to the tribunal a written statement as to their assessment of the rent and for the tenant to respond.
5. The Tribunal received nothing from the landlord.
6. The Tribunal received a submission from the tenant listing repairs paid for in whole or in part by the landlord together with a list of works

carried out by him at the property since October 1977, some correspondence between the parties and a letter from the Rent Service referring to errors on the 2006 Rent Register which confirmed that the garage was not included in the rent assessed.

7. The tenant requested an oral hearing which was held earlier today at White Hart Hotel, Salisbury and attended by Mr Judd and Mr Bruce-White.

Inspection

8. We inspected the property in the company of the parties and found it to be a detached cottage built of cobb under a thatched roof fronting on to the A338 road. The property was previously two cottages that had been combined by the tenant. It is set behind a narrow area of garden with a picket fence separating it from the road. At the side is a parking area for 3 cars and a garage. To the rear is a garden with a number of structures including an extensive covered entrance porch. Entrance is from a door in the front elevation leading to a hallway or through double side doors leading into the kitchen/breakfast room.
9. Internally the accommodation comprises a large kitchen/breakfast room at the rear with a range of fitted units, UPVC double glazed windows and a gas fired combination boiler. To the front is a dining room with open fire and the entrance lobby with door from the front and stairs leading up to two of the first-floor bedrooms. The lobby also contains the consumer unit and has a door leading to a large front living room with wood burning stove and stairs up to a further two bedrooms and an ensuite WC. Off this living room is a lobby with UPVC double glazed door out and a door into the ground floor bathroom/WC.
10. On the first floor above the dining room are a double and single bedroom and over the living room is a single bedroom used as a work room and a double bedroom with a Saniflo WC/ wash basin off.
11. We noted areas of damp and that the majority of windows remained single glazed "Crittall" type.

Submissions

12. In his written submissions Mr Judd said that the landlord was responsible for repairs and external decorations and that he was responsible for internal decorations all subject to S11 Landlord and Tenant Act 1985. A water meter had been installed without consultation resulting in increased costs. He had carried out improvements and replaced fixtures and fittings in support of which he provided a detailed list of works.
13. He confirmed that the landlord had;

- a. paid for the combi boiler which he had installed
 - b. had the roof rethatched
 - c. decorated windows and fascia once
 - d. purchased replacement back door installed by tenant.
 - e. replaced Saniflo originally installed by tenant.
 - f. replaced gas valve
 - g. provided landlord's gas certificate
14. Mr Judd explained that when he took the tenancy of cottage No 2 it was in appalling condition. The kitchen had only an enamel sink and a dirt floor, there was extensive damp. In 1978 cottage No 1 was acquired and extensive works carried out.
15. Amongst the work carried out by him was re-ordering the interior layout to form one cottage, exposing inglenook fireplaces, removal of redundant hot water systems, rewiring, structural repairs, fitting kitchen units, slate floor tiling throughout ground floor, replacement and/or repairs to first floor floor/ground floor ceiling, damp treatment, installation of central heating system, provision of parking area and construction of garage, creation of ensuite WC, replacement of bathroom fittings and provision of a shower cubicle and construction of garden gazebo.

Hearing

16. The hearing was attended by Mr Judd and Mr Bruce-White.
17. The Tribunal explained that the property was subject to the Rent Acts (Maximum Fair Rent) Order 1999 (the MFR) and as such both the Rent Officer and the Tribunal were bound by the terms of that order. The Tribunal explained that broadly speaking the increase was limited to the increase in the RPI since the last registration plus a small addition.
18. Mr Judd considered that the increase produced was excessive being over 11% Mr Bruce-White said that over the years sometimes the increase seemed too low and at other times too high, overall, he agreed with the Rent Officer's determination.
19. Mr Judd explained that his landlord did little to maintain the property and that he had carried out significant repairs and alterations.
20. On being asked what rent he considered should be set he said that £190 per week was appropriate.
21. Mr Bruce-White did not dispute the works carried out by Mr Judd and said that he would have been prepared to pay for some of the work if he had been sent an invoice. He had known Mr Judd for 35 years and he was a good tenant, however the standards he expected were higher than Mr Bruce-White considered necessary. Nevertheless he "never stood in his way" and allowed Mr Judd to do what he wanted. Repairs Mr

Bruce-White had carried out such as such as re-thatching were very expensive.

22. With regard to the starting point of £295 per week he said that the lettings of other properties on the farm supported the figure.

The law

23. 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.

24. 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

25. 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. In this case the evidence provided by the landlord and agreed by the parties supported that of the Rent Officer and the Tribunal therefore confirmed the Rent Officer's starting point of £295 per week.

26. 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.

27. In this case the Tenant had carried out extensive works largely at his own expense and with the agreement of the landlord. Without those works the property would be in a somewhat dilapidated state with structural issues, poor floors, no central heating, mainly single glazed windows, a poor unfitted kitchen and ground floor bathroom without a

shower. Outside there would be no parking spaces and no garage or other outbuildings. The tenant also supplies white goods, carpets and curtains.

28. In making its own adjustments to assess 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 approximately 35% and determine a rent of £195 per week. This deduction is not intended to relate to costs incurred but is the tribunal's opinion of the "discount" required to attract a tenant.
29. We then considered the question of scarcity as referred to in paragraph 24a above and determined that there was none in the area of Wiltshire.
30. We therefore determined that the uncapped Fair Rent is £195.00 per week exclusive of council tax and water rates.
31. 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 no further adjustments are required **we therefore determine that the sum of £195.00 per week** is registered as the fair rent with effect from today's date.

D Banfield FRICS (Chairman)
P Turner-Powell FRICS
11 November 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.