



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

Case Reference : **CHI/24UN/F77/2019/0069**

Property : **2 Vine Cottages, Up Somborne,
Stockbridge, Hampshire SO20 6RD**

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

Date of Decision : **27 January 2020**

Reasons for the decision

Background

1. The landlord made an application to register the rent of the property at £650 per calendar month.
2. On 12 November 2019 the Rent Officer registered the rent at ££707.50 per calendar month exclusive of rates with effect from that date. The uncapped rent was stated to be £850 per calendar month.
3. The tenant objected and the matter was referred to the First Tier Tribunal, Property Chamber.
4. The Tribunal made directions on 23 December 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. In a letter from the tenants' daughter reference was made to her parents' financial circumstances.
5. There was no written response from the landlord.

Inspection

6. We inspected the property in the company of the tenants' daughter, the tenants also being in attendance. As previously advised, the landlord did not attend. We found the property to be a semidetached two storey house situated in a village and backing on to farmland. Access is by a track off the main road leading to an area of hardstanding facing which are a pair of semidetached houses and a battery of 4 lock up garages. There is no defined boundary to the front.
7. The accommodation comprises on the ground floor an entrance hall, a cloakroom, small sitting room, rear room currently used as a bedroom and adjoining kitchen. Off the kitchen is a lobby with external door to the front, larder and oil-fired boiler.
8. On the first floor are 3 double bedrooms, an airing cupboard with insulated cylinder and immersion heater and a bathroom with panelled bath, low level WC and pedestal wash basin.
9. Windows are a mixture of single glazed and UPVC double glazed units. Heating is through radiators served by the oil-fired boiler.
10. Outside is a garden to the rear backing on to farmland and a lock up garage with up and over door.
11. The property is largely unaltered since its construction in 1973 with serviceable but now outdated kitchen and bathroom fittings. The boiler was replaced some 4/5 years ago. We noted that the seals to the double-glazed casements were allowing draughts particularly to the rear elevation.

Evidence

12. The tenants' daughter wrote to the Tribunal giving her parents' financial circumstances. No evidence was provided by the Landlord.

The law

13. 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.
14. 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

15. 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 the absence of evidence of open market lettings from the parties the Tribunal considered whether the rent of £1,100 per month applied by the Rent Officer as a starting point was reasonable and decided that it was.
16. However, the rent referred to in the above paragraph is on the basis of a modern open market letting where the tenant has no liability to carry out repairs or decorations, there are up to date bathroom and kitchen fittings, the landlord supplies white goods, carpets and curtains and there are no wants of repair. In this case the Tenant supplies white goods, carpets and curtains, the bathroom and kitchen are outdated and the windows require attention.
17. 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 approximately 22.5% and confirm the Rent Officer's uncapped rent of £850 per calendar month.
18. We then considered the question of scarcity as referred to in paragraph 14a above and determined that there was none in this area of rural Hampshire.
19. We therefore determined that the uncapped Fair Rent is £850 per calendar month exclusive of council tax and water rates.
20. 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 £707.50 per calendar month** is registered as the fair rent with effect from today's date.

D Banfield FRICS (Chairman)
M J F Donaldson FRICS MCI Arb MAE
27 January 2020

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.