



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

**Case Reference** : **CHI/24UN/F77/2020/0008**

**Property** : **29 High Street  
Broughton  
Stockbridge  
Hampshire SO20 8AE**

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

**Date of Decision** : **16 March 2020**

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**Reasons for the decision**

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**Background**

1. The landlord made an application to register the rent of the property at £812.50 per calendar month.
2. On 24 December 2019 the Rent Officer registered the rent at £700 per calendar month exclusive of rates with effect from 16 January 2020.
3. The landlord objected and the matter was referred to the First Tier Tribunal, Property Chamber.
4. The Tribunal made standard directions on 10 February 2020 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. Submissions were received from both landlord and tenant.

## **Inspection**

6. We inspected the property in the company of the tenant and his wife. The landlord was not present or represented.
7. The property comprises a semi-detached period farm workers' cottage located on the edge of an attractive village. The property is two storied with a later single storey extension to one side housing the ground floor bathroom.
8. Externally the property is in poor condition. The porch over the front door is leaning badly, the metal framed small pane windows are corroded and decoration badly needed.
9. Access is over a small front garden to the entrance door which leads into a dining hall. To the right is a small living room with tenant's wood burning stove. Behind the living room is a narrow kitchen with stainless steel sink unit and a few outdated cupboards. At the far end of the kitchen is a recess with recently installed oil fired boiler.
10. A door leads to a small lobby with door to the rear yard. The ground floor bathroom has a panelled bath, pedestal wash basin and low level WC. Over the bath is an electric shower.
11. Enclosed stairs lead from the dining hall to the first floor landing off which is a double and single bedroom at the front and a box room at the rear.
12. Heating and hot water is provided by the gas fired boiler serving radiators throughout.
13. We noted the unattractive surface wiring and the ill-fitting and decayed windows two of which had secondary glazing.

## **Submissions**

### **Landlord**

14. In written submissions the landlord referred to the property as being in fair condition for its age and type. Comparables were provided; Nutchers Drove Stockbridge a 3 bedroom modern semi-detached house available at £1,225 pcm and what appears to be a period semi-detached house in High Street Stockbridge available for £1,350 pcm from which a minimum achievable market rent for the property was said to be £1,225 pcm.
15. Deductions were made for the differences; En-suite bathroom, £20; Double glazing, £100; Cloak room, £10; Floor coverings, £20; off street parking, £25; white goods, £15; tenant's decorating liability, £40 and £25 for scarcity. Total deduction £215 (sic, actually £255)

16. They conclude that the requested rent of £812.50pcm is £197.50 (sic, actually £157.50) cheaper than the similar market rent tenancy.

### **Tenant**

17. In written submissions the tenant provides details of two Fair Rent tenancies in Broughton at £600 and £564.50 per month and commented that the landlord's comparables bore little relevance to their property being let on Assured Shorthold Tenancies and in good condition. Nutchers Grove being a modern well maintained house.
18. Their property has no damp proof course, little insulation, and is in poor condition. Work carried out by the landlord has caused disruption, been to a poor standard and in some cases is incomplete.

### **The law**

16. 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.
17. 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**

18. 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. The landlord has provided details of the asking rents for two properties neither of which either by type or location are directly comparable with the subject. Likewise the comparables submitted by the tenant are of little assistance being existing Registered Rents. As indicated in paragraph 17.b. above the starting point must be an open market letting at a market rent. In the absence of helpful comparable evidence the

Tribunal considered whether the Rent Officer's starting rent of £1,000 per month was reasonable and decided that it was. In doing so the members used their collective knowledge and experience of the general levels of rent obtainable for modest cottages with small rooms and downstairs bathrooms. The Tribunal therefore confirmed the Rent Officer's starting point of £1,000 per month.

19. 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, has a modern kitchen and bathroom, the landlord supplies white goods, carpets and curtains and the property is in good repairing and decorative order.
20. In this case the property is in poor external repair, the rewiring has been clumsily executed, the property suffers from damp, the windows are in an appalling state, the front porch needs extensive repair and the whole of the exterior requires redecoration. In addition, the tenant carries out internal decorations and supplies their own carpets, curtains and white goods.
21. 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 35% and determine a rent of £650 per calendar month. This deduction is not intended to relate to costs incurred but is the tribunal's opinion of the "discount" required to attract a tenant.
22. We then considered the question of scarcity as referred to in paragraph 17a above and determined that whilst there may be local scarcity as indicated by the landlord in the wider area of Hampshire there is no significant scarcity and therefore we make no further adjustment.
23. We therefore determined that the uncapped Fair Rent is £650 per calendar month exclusive of council tax and water rates.
24. 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 £650 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  
16 March 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.