



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

**Case Reference** : **CHI/00LC/F77/2020/0011**

**Property** : **1 Marshgate Villas  
Main Road  
Cooling  
Rochester  
Kent ME3 8DP**

**Type of Application** : **Determination of a fair rent:  
Rent Act 1977**

**Date of Decision** : **21 May 2020**

**Tenant** : **Mrs S F Bailey**

**Landlord** : **Area Estates Ltd**

**Tribunal Member** : **Mr B H R Simms FRICS (Chairman)**

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**REASONS FOR THE DECISION**

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## **Background**

1. On 16 October 2019 the Landlord's agent, Grainger Plc, made an application to register the rent of the property at £666.00 per calendar month in place of the existing rent of £555.00 per calendar month.
2. On 15 January 2020 the Rent Officer registered the rent at £613.00 per calendar month with effect from the same date. The uncapped rent was £630.00 per calendar month.
3. The Tenant objected to the rent registered and on 11 February 2020 the Rent Officer notified the parties that the case would be referred to the First Tier Tribunal (Property Chamber).
4. Directions for the conduct of the case were issued dated 17 February 2020. The Tribunal intended to determine the rent on the basis of an inspection of the property and written representations subject to the parties requesting an oral hearing. No request was made by the parties for a hearing. On 19 March 2020 the Tribunal issued a notice in respect of the Coronavirus pandemic cancelling an inspection and requesting photographs from the parties if required. No objection to this procedure was received.
5. In response to Directions the Tenant made written representations by letter dated 19 February 2020. The Landlord did not make any written representations. Neither party took the opportunity to respond to the request for further information following the cancellation of the inspection. The Rent Service provided the Tribunal with copies of the original application, the rent register entries, a summary of the Rent Officer's calculations, the consultation notes and relevant correspondence. All documents were circulated to the parties.

## **Inspection**

6. As advised to the parties the Tribunal did not inspect the property. The Tribunal proceeded to determine the matter based on the written evidence submitted.
7. The property is described in the application for registration and in the rent register as a semi-detached house age about 1800-1918 with uPVC double glazing but without central heating. The accommodation is listed as: Ground Floor: 2 Rooms; Kitchen; Bathroom; WC. First Floor: 3 Rooms. Outside: Garden; Car space.

## **Representations**

8. The Tenant made comprehensive representations which are summarised here. She describes her personal circumstances and the history of the tenancy. She also refers to improvements made to the property by her late husband before his death in 2014.

9. Mrs Bailey listed several points that have a bearing on rental value. The Tribunal has had regard to the full document and summarises here the principal issues:
- No central heating
  - Inadequate kitchen fittings, no white goods supplied
  - No carpets or curtains provide by the Landlord
  - No gas supply
  - Poor amenities locally
  - Disturbance from the pub opposite
  - Un-modernised ground floor bathroom with stained bath.
  - Rotten skirting boards in the lavatory
  - Poor maintenance of the house. In particular the exterior is shabby, brickwork needs repointing and the back door is ill-fitting.
10. During the tenancy the Tenant states that she or her late husband have carried out numerous improvements and she lists these including: Upgrading the kitchen, lavatory & bathroom and installing electric storage heating.
11. Mrs Bailey considers the properties listed by the Rent Service are not comparable as they bear little resemblance to her home which is a basic farm-workers dwelling with no modern features or fittings. She does not, however, suggest an appropriate rental or provide comparables of her own.
12. The Landlord did not make any representations to the Tribunal either in response to the Directions or the request for information following the cancellation of the inspection. The Landlord did not challenge any of the representations made by the Tenant or provide any evidence in support of its propose rental value.

### **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 personal circumstances of the Landlord or of the Tenant and the effect on the rental value of the property of:
- (a) any relevant tenant's improvements and
  - (b) any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy.
14. 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).
15. 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).

16. The Rent Acts (Maximum Fair Rents) Order 1999<sup>1</sup> (“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.

## Valuation

17. 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.

18. We found the Tenant’s unchallenged summary of the condition of the house helpful and we have taken into account the improvements made by the Tenant during the Tenancy. We were assisted by the comparables provided by the Rent Service but these supplied very brief details of the properties. Also using our own knowledge of general rent levels for this type of property in the locality we determined that the starting point should be £900.00 per calendar month on the assumption that the Tenant is responsible for keeping the interior in tenable repair (we were not provided with a tenancy agreement).

19. 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 hypothetical landlord would supply white goods, carpets and curtains. In this case the Tenant supplies her own white goods, carpets and curtains and there is no central heating, deductions must be made for these and the other differences.

20. The Tribunal has therefore made deductions from the starting point of £900.00 per calendar month as follows:

• Lack of Landlord’s carpets, curtains and floor coverings	£45.00
• Lack of Landlord’s white goods	£45.00
• Tenant’s improvement of bathroom & lavatory fittings	£40.00
• Unmodernised kitchen	£40.00
• Lack of central heating	£65.00
• Location	£20.00
• Lack of repair	£40.00

Total deductions	£295.00 per calendar month
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21. These are the Tribunal’s opinion of the reduced rental bid that would be made by a hypothetical tenant when allowing for the deficiencies in this property when compared to a modern open market letting of a similar property in the locality.

22. We then considered the question of scarcity as referred to in paragraph 14 above. There is no evidence of anything other than a balance of supply and demand in this locality so we conclude that there should be no adjustment for scarcity.

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<sup>1</sup> The Rent Acts (Maximum Fair Rent) Order 1999 SI 1999 No. 6

23. We therefore determined that the uncapped Fair Rent is £605.00 per calendar month (£900.00 less £295.00).

24. The uncapped rent of £605.00 is below the maximum fair rent of £616.50 per calendar month calculated in accordance with MFR, details of which are shown on the rear of the Decision Notice, we therefore determine that the sum of **£605.00 per calendar month** is registered as the fair rent with effect from the date of the decision **21 May 2020**.

Chairman: B H R Simms

Date: 21 May 2020

### **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.