



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

Case Reference : LON/ 00AQ/F77.2019/0220

Property : 29 Belmont Road, Harrow, Middx. HA3
7PJ.

Applicant : Bradford Property Trust Limited

Representative : Grainger Plc

Respondent : Mr. G. Howard.

Representative : In person

Type of Application : Rent Act 1977 (“the Act”) Determination of
the fair rent of a property following an
objection to the rent registered by the Rent
Officer

Tribunal Member(s) : Ms. A. Hamilton-Farey
Mr. O. Miller

Date of Inspection : 20 February 2020.

Date of Decision : 20 February 2020.

DECISION

1. The landlord made an application on 25 September 2019 to register the rent of the property at £953.35 per month instead of the rent passing of £829.00 per month.
2. On 24 October 2019 the Rent Officer registered the rent at £875.00 per month, with effect from 15 December 2019.
3. The landlord objected and the matter was referred to the First Tier Tribunal, Property Chamber.
4. The Tribunal made directions on 19 December 2019 stating that the application would be determined on the papers without a hearing in accordance with Rule 31 of the Tribunal Procedure Rules unless a party objected and 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. No objections were received, and the tribunal determines the matter on the papers, following an inspection.

Inspection

6. On 20 February 2020 the Tribunal inspected the property and found it to be a two-storey terraced house, of traditional brick construction, under a pitched and tiled roof. To the ground floor is a through lounge and kitchen (installed by the tenant), to the first floor were two bedrooms and a bathroom (installed by the tenant). The property benefits from full central heating and double glazing and has a small private garden to the rear. The tenant confirmed that, at the start of the tenancy, the property had no heating, water supply or bathroom and only had an outside toilet. The tenant has installed a kitchen and bathroom/w.c. during the tenancy and had provided electrical wiring and sockets. The tenant accepted the landlord has re-wired the property during the tenancy.

Hearing/ The parties Representations.

7. The landlord provided a statement of case, and suggested within that, that the rent requested of £953.35 per month was a 'reasonable ask'. Details of open market lettings were produced, which suggested a starting market rent of £1,350.00 per calendar month. The landlord has then made deductions from this starting point to reflect the lack of white goods and the tenant's improvements.

The law

8. 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.

9. 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).

Consideration and Valuation

10. 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 in the condition that is considered usual for such an open market letting. The Tribunal did this by having regard to information provided by the landlord, and the Tribunal's own general knowledge of market rent levels and arrived at a starting point of £1,350.00 per calendar month.
11. 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 [list differences].
12. 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 5% to reflect the different repairing obligations under the secure tenancy, and a further 25% to reflect the fact that the property must be valued without a bathroom or kitchen, and we find that in the current market, many tenants would not be prepared to take on such a property. The 25% deduction also includes an amount for the lack of white goods, carpet and curtains as would be found in a modern letting.
13. We then considered the question of scarcity as referred to in paragraph 9a above. The landlord suggested that a 10% would be sufficient to reflect the imbalance of supply and demand in the market. We consider this figure to be too low. We consider there to be a significant shortage of modest properties such as the subject and reflect that in a deduction of 20%.
14. We therefore determined that the uncapped Fair Rent is £769.00 per calendar month.

15. 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, **we determine that the lower sum of £769.00 per month** is registered as the fair rent with effect from 20 February 2020.

Name: Ms. A. Hamilton-Farey
Date 21 February 2020.

RIGHTS OF APPEAL

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.
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