

FIRST-TIER TRIBUNAL

PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference CHI/00HP/F77/2022/0002

26 Hamble Road

Poole Property Dorset

BH15 3NL

Mrs S Mead **Tenant**

Representative **None**

Northumberland & Durham Property Landlord

Trust

Grainger Plc Representative

Rent Act 1977 ("the Act") Determination

by the First-Tier Tribunal of the fair rent Type of Application

of a property following an objection to

the rent registered by the Rent Officer.

Mr I R Perry BSc FRICS

Tribunal Members Mr P E Smith BSc FRICS

Mr M C Woodrow MRICS

Date of Inspection None. Paper determination

Date of Decision 3rd March 2022

DECISION

Summary of Decision

On 3rd March 2022 the Tribunal determined a fair rent of £210.50 per week with effect from 3rd March 2022.

Background

- 1. On 17th September 2021 the Landlord's Agent applied to the Rent Officer for registration of a fair rent of £211.86 per week month for the above property, equating to £918.06 per calendar month.
- 2. The rent was previously registered on the 11th November 2019 at £184.23 per week from 8^{th} December 2019 following a determination by the Rent Officer. This equates to £798.33 per calendar month.
- 3. The rent was registered by the Rent Officer on the 11th November 2021 at a figure of £190.77 per week with effect from the 8^{th} December 2021. This equates to a figure of £826.67 per calendar month.
- 4. By a letter dated 13th December 2021 the Landlord's Agent objected to the rent determined by the Rent Officer and the matter was referred to the First Tier Tribunal Property Chamber (Residential Property) formerly a Rent Assessment Committee.
- 5. The Coronavirus pandemic and considerations of health have caused a suspension of inspections and of Tribunal hearings in person until further notice.
- 6. The Tribunal office informed the parties that the Tribunal intended to determine the rent on the basis of written representations subject to the parties requesting an oral hearing. No request was made by the parties for a hearing.
- 7. The parties were invited to include photographs and video within their representations if they so wished. Representations were made which were copied to both parties.
- 8. The Tribunal office informed the parties that the Tribunal might also consider information about the property available on the internet.

The Property

- 9. Within the submissions the property is described as a detached bungalow built between 1965 and 1980 comprising a Living Room, Kitchen, two Bedrooms, Bathroom and WC, Garage, Car Space and Gardens. Elevations are rendered and the roof is tiled.
- 10. The windows are double-glazed, heating is from electric night storage heaters. The carpets, curtains and white goods are all provided by the

Tenant. The Kitchen and Bathroom are described as unmodernised. The Tenant is responsible for internal decorations.

11. The property is situated in an area of similar residential properties, about 1½ miles north-east of the centre of Poole. There is a good range of amenities within a reasonable distance of the property.

Evidence and Representations

- 12. The Landlord's Agent describes the property as being in fair condition for its age and type but also suggests deductions be made from an achievable market rent to reflect an unmodernised kitchen, lack of central heating, and the Tenant's provision of carpets, curtains and white goods. A further adjustment from the comparables is suggested as the subject property does not have a Conservatory.
- 13. The submission from the Landlord's Agent also included evidence of comparable properties in the general area which were being marketed through letting agents in the area at rents of £1,295 to £1,395 per month.
- 14. The Tribunal had regard to the observations and comments by the parties and also relied on its own knowledge and experience of local rental values in determining the rent.

The Law

- 15. When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, had regard to all the circumstances including the age, location and state of repair of the property. It also disregarded 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.
- 16. In Spath Holme Ltd v Chairman of the Greater Manchester etc. Committee (1995) 28 HLR 107 and Curtis v London Rent Assessment Committee [1999] QB 92 the Court of Appeal emphasised
 - (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).
- 17. The Tribunal also has to have regard to the Rent Acts (Maximum Fair Rent) Order 1999 where applicable. Most objections and determinations

of registered rents are now subject to the Order, which limits the amount of rent that can be charged by linking increases to the Retail Price Index. It is the duty of the Property Tribunal to arrive at a fair rent under section 70 of the Act but in addition to calculate the maximum fair rent which can be registered according to the rules of the Order. If that maximum rent is below the fair rent calculated as above, then that (maximum) sum must be registered as the fair rent for the subject property.

Valuation

- 18. The Tribunal first considered whether it felt able to reasonably and fairly decide this case based on the papers submitted only, with no oral hearing. Having read and considered the papers it decided that it could do so.
- 19. 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. It did this by having regard to the evidence supplied by the parties and the Tribunal's own general knowledge of market rent levels in the area of Bournemouth and Poole. Having done so it concluded that such a likely market rent would be £1,200 per calendar month.
- 20. However, the property was not let in a condition considered usual for a modern letting at a market rent. Therefore, it was first necessary to adjust that hypothetical rent of £1,200 per calendar month particularly to reflect the Tenant's liability for internal decoration, that the carpets, curtains and white goods were all provided by the Tenant, the lack of central heating, the unmodernised Kitchen and the unmodernised Bathroom.
- 21. The Tribunal therefore considered that this required a total deduction of £180 per month made up as follows:

Night store heaters rather than central heating	£50
Tenant's provision of carpets and curtains	£30
Tenant's provision of white goods	£30
Tenant's internal decoration liability	£35
Unmodernised kitchen	£25
Unmodernised bathroom	<u>£10</u>
TOTAL	£180

22. The Tribunal did not consider that there was any substantial scarcity element in the area of Bournemouth and Poole.

Decision

23. Having made the adjustments indicated above the fair rent initially determined by the Tribunal for the purpose of section 70 of the Rent Act 1977 was accordingly £1,020 per calendar month, equating to £235.38 per week.

24. The Section 70 Fair Rent determined by the Committee is above the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 details of which are shown on the rear of the Decision Notice and accordingly we determine that the lower sum of £210.50 per week is registered as the fair rent with effect from 3rd March 2022, this being the date of the Tribunal decision.

Accordingly the sum of £210.50 per week will be registered as the fair rent with effect from the 3^{rd} March 2022 being the date of the Tribunal's decision.

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 by email to rpsouthern@justice.gov.uk 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.