

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CHI/00HY/F77/2022/0006

**1 Fox & Hounds Cottages** 

**Crowood Lane Ramsbury** 

Property : Marlborough

Wiltshire SN8 2HE

Landlord : Crowood Farming Partnership

**Representative : Mr W Dennis** 

Tenant : Mr R Cottrell

**Representative** : None

Rent Act 1977 ("the Act") Determination

Type of Application : by the First-Tier Tribunal of the fair rent of a property following an objection to

of a property following an objection to

the rent registered by the Rent Officer.

**Mr I R Perry BSc FRICS** 

Tribunal Members : Mr M J F Donaldson FRICS MCIArb MAE

Mr M C Woodrow MRICS

Date of Inspection : None. Paper determination

Date of Decision : 7<sup>th</sup> April 2022

### **DECISION**

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## **Summary of Decision**

On 7<sup>th</sup> April 2022 the Tribunal determined a fair rent of £131 per week with effect from 7<sup>th</sup> April 2022.

## **Background**

- 1. A joint application from the Landlord and Tenant was received by the Rent Officer on 22<sup>nd</sup> November 2021 for registration of a fair rent of £120 per week for the above property. This equates to £520 per month and includes £6.70 per week for a private water supply and sewage disposal.
- 2. The rent was previously registered on the  $28^{th}$  June 2018 at £110 per week, equating to £476.67 per month, following a determination by the Rent Officer. This included £5.77 per week for private water supply and sewage disposal.
- 3. The rent was registered by the Rent Officer on the 14<sup>th</sup> December 2021 at £115 per week with effect from the same date, equating to £498.33 per month. This included the sum of £6.70 per week for private water supply and sewage disposal.
- 4. By email dated 19<sup>th</sup> January 2022 the Landlord 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 based on written representations subject to the parties requesting an oral hearing. No request was made by the parties for a hearing.
- 7. The Tribunal office informed the parties that the Tribunal might also consider information about the property available on the internet.
- 8. The parties were invited to include photographs and video within their representations if they so wished. Neither party made any representations.

### The Property

9. From the papers submitted and information available on the internet, the property is described as a semi-detached house comprising two Living Rooms, a Kitchen, Bathroom and WC all at ground level with three Bedrooms at first floor level. There is a garden, parking and a garage.

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- 10. Mains electricity only is connected. Water is from a private supply and drainage is to a private system. The property has oil-fired central heating.
- 11. The house is of traditional construction and is situated within a working farm complex about one mile north-east of Ramsbury. Within Ramsbury there is a small range of local amenities with main shopping and educational facilities available at Marlborough, some eight miles distant.
- 12. The current Energy Performance Certificate rating for the property is 'E'.

# **Evidence and representations**

- 13. Neither party made written representations to the Tribunal, leaving the Tribunal dependant on the Rent Officers calculation sheets. These indicated that the garage was unusable and that the Tenant had succeeded to the property at some point in the past.
- 14. The Rent Officers calculation sheet adjusts an open market rent to reflect Tenant's liability for internal repairs and decoration, Tenant's white goods, Tenant's curtains and dampness within the property.
- 15. The Tribunal had regard to the information contained within the joint application form and in the Landlord's letter of objection, and also relied on its own knowledge and experience of local rental values in determining the rent.

### The Law

- 16. 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.
- 17. 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).

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18. 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

- 19. 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.
- 20. 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 figure of £202 per week assessed by the Rent Officer, equating to £875.33 per month, and the Tribunal's own general knowledge of market rent levels in the area of Wiltshire. Having done so it concluded that such a likely market rent would be £950 per calendar month.
- 21. 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 £950 per calendar month particularly to reflect the condition of the property, the Tenant's provision of white goods and other fittings and the Tenant's liability for internal repair and decoration which would not normally be the case for an open market assured shorthold tenancy. The Tribunal decided that a further reduction should be made to reflect the location of the property alongside a working farm with any attendant nuisance.
- 22. The Tribunal decided that this required a total deduction of £315 per month made up as follows:

Garage unusable	£30
Internal dampness	£75
Tenant's provision of white goods	£30
Tenant's provision of curtains	£30
Tenant's liability to internal repair and decoration	£75
Location alongside a working farm	£75
TOTAL	£315

23. The Tribunal did not consider that there was any substantial scarcity element in the area of Wiltshire.

#### **Decision**

- 24. 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 £635 per month which would equate to £146.54 per week.
- 25. 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 £131 per week is registered as the fair rent with effect from 7<sup>th</sup> April 2022. This includes £6.70 for private water supply and sewage disposal.
- 26. The Tribunal is aware that this figure is above the rent of £120 per week applied for in the original joint application for a registration of rent. The Tribunal is required to assess the Fair Rent in accordance with the appropriate legislative and valuation framework, but the Landlord is at liberty to charge a lower figure than has been assessed.

Accordingly, the sum of £131 per week, including £6.70 for private water supply and sewage disposal, will be registered as the fair rent with effect from the  $7^{th}$  April 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 <a href="mailto:rpsouthern@justice.gov.uk">rpsouthern@justice.gov.uk</a> 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.