

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	CHI/24UN/F77/2022/0016
Property	:	Wayside Bungalow Fullerton Road Red Rice Andover Hampshire SP11 7PB
Landlord	:	Trustees of Lord Weinstock Will Trust
Representative	:	Strutt & Parker
Tenant	:	Mr I C Rogers
Representative	:	None
Type of Application	:	Rent Act 1977 ("the Act") Determination by the First-Tier Tribunal of the fair rent of a property following an objection to the rent registered by the Rent Officer.
Tribunal Members	:	Mr I R Perry BSc FRICS Mr M J F Donaldson FRICS MCIArb MAE Mr M C Woodrow MRICS
Date of Inspection	:	None. Determined on the papers
Date of Decision	:	25th May 2022

# DECISION

# Summary of Decision

On 25<sup>th</sup> May 2022 the Tribunal determined a fair rent of £875 per calendar month with effect from  $25^{\text{th}}$  May 2022.

# Background

- 1. On 28<sup>th</sup> January 2022 the Landlord's Agent applied to the Rent Officer for registration of a fair rent of £850 per calendar month for the above property.
- 2. The rent was previously registered on the  $18^{\text{th}}$  January 2018 at £701 per month, which included £12.50 per month for water, following a determination by the Rent Officer.
- 3. The rent was registered by the Rent Officer on the 14<sup>th</sup> March 2022 at a figure of £842 per month with effect from the 14<sup>th</sup> March. This includes the sum of £28 per month in respect of water.
- 4. By a letter dated 21<sup>st</sup> March 2022 the Tenant 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 by the Tenant which were copied to the landlord. Neither the Landlord or the Landlord's Agent made any representations.
- 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 papers supplied the Property is described as a detached Bungalow with accommodation including a Living Room, Kitchen, two Bedrooms and a Bathroom/WC. It has oil-fired central heating, double glazing, gardens and a Garage. 10. The property is in a fairly isolated position approximately 2 <sup>1</sup>/<sub>2</sub> miles south of Andover.

### **Evidence and representations**

- 11. The Tenant made representations confirming that the carpets, curtains and white goods were all provided by the Tenant who is also responsible for the internal decorations. The Tenant also stated that the Kitchen and Bathroom fittings are dated and that he had carried out a number of improvements including the provision of insulation.
- 12. 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.
- 13. The Landlord provides water to the property said to cost approximately £28 per month.

# The Law

- 14. 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.
- 15. 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).
- 16. 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

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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

- 17. 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.
- 18. 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 south Hampshire. Having done so it concluded that such a likely market rent would be  $\pounds$ 1,100 per calendar month, to include the provision of water.
- 19. However, the property was not let in a condition considered usual for a modern letting at a market rent. Based on the knowledge of its members the Tribunal is aware that the market for this type of property is very sensitive to condition and inventory. Therefore, it was first necessary to adjust that hypothetical rent of  $\pounds$ 1,100 per calendar month particularly to reflect any Tenants' improvements and the fact that the carpets, curtains and white goods were all provided by the Tenant which would not be the case for an open market assured shorthold tenancy.
- 20. The Tribunal therefore considered that this required a total deduction of £225 per month made up as follows:

Tenant's liability for internal decoration	£30
Tenant's provision of carpets	£25
Tenant's provision of curtains	£15
Tenant's provision of white goods	£30
Dated kitchen	£50
Dated bathroom fittings	£25
Tenant's improvements	£50
TOTAL	£225

21. The Tribunal did not consider that there was any substantial scarcity element in the area of south Hampshire.

### Decision

22. 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  $\pounds$ 875 per calendar month.

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23. The Section 70 Fair Rent determined by the Committee is below 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 that rent limit has no effect.

#### Accordingly the sum of £875 per month will be registered as the fair rent with effect from the 25<sup>th</sup> May 2022, this 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 <u>rpsouthern@justice.gov.uk</u> 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.