

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

Case reference	:	CAM/00KF/F77/2022/0010
HMCTS code	:	P:PAPERREMOTE
Property	:	Flat 2 Imperial Manor, 34 Clifftown Parade, Southend on Sea SS1 1DL
Applicants (Landlord)		Collini Property Partnership
Represented by	:	Tony Prior, Priority Management Services
Respondent (Tenant )	:	Pamela G Smith
Type of application	:	Determination of a fair rent under section 70 of the Rent Act 1977
Tribunal members	:	Mary Hardman FRICS IRRV(Hons)
Date of decision	:	15 August 2022
DECISION		

# **Description of hearing**

This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The documents that I was referred to are as submitted by the Applicant and the Respondent. I have noted the contents and my decision is below.

## **Decision**

The tribunal determined a fair rent of £197.50 per week inclusive of service charge of £3.15 per week

## **Reasons**

## **Background**

- 1. On 15 March 2022 the landlord made an application to register the rent of the property at £240 per week.
- 2. On 27 April 2022 the Rent Officer registered a Fair Rent of £170 per week, inclusive of services of £2.37 per week with effect from the same date. This was in lieu of the previous registered rent of £172.50 per week from 26 February 2020 inclusive of services of £5.12 per week.
- 3. The Landlord objected, and the matter was referred to the First Tier Tribunal, Property Chamber.
- 4. The Tribunal issued directions on 11 May 2022, inviting the parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the tribunal to consider. Reply forms, photographs, further details and submissions were provided by the parties.

## The property

- 5. The tribunal inspected the property on 12 August 2022. The tenant, Mrs Smith was present at the inspection.
- 6. The Property is a self-contained ground floor flat in a pre-1900 conversion. There is a garden to the front and a small communal garden to the rear. It is situated on the sea front.
- 7. The accommodation comprises a living room, kitchen, two bedrooms and a bathroom. The property has gas central heating and double glazing to windows in the lounge and both bedrooms.
- 8. The sink and adjacent units in the kitchen were paid for jointly by the landlord and the tenant. The tenant then changed the existing units in the remainder of the kitchen to match. All appliances were provided by the tenant
- 9. There is parking to the rear of the property and on road parking available outside the property.

## The law

- 10. The relevant law is set out in section 70 of the 1977 Act and the MFR Order. We are to have regard to all the circumstances (other than personal circumstances) and in particular to the age, character, locality and state of repair of the Property. We are to disregard the effect on the rental value of any improvements carried out by the tenant (other than in pursuance of the terms of the tenancy). We are also required (by s.70(2)) to assume that the demand for similar rented properties in the locality does not significantly exceed the supply of such properties for rent; in effect, if such scarcity exists, we are to adjust the rental figure so that the fair rent is not affected by it.
- 11. 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 confirmed that for the purposes of determining the market rent (before making any necessary adjustments), open market assured tenancy rents are usually appropriate comparables.
- 12. By section 72 of the 1977 Act, if the rent is determined by the tribunal, the registration of the rent takes effect from the date we make our decision.

#### **Representations – landlord**

- 13. In his written submission on behalf of the landlord, the landlord's agent said that the property was located in a cliff top location in the conservation area, which was highly sought after.
- 14. The property had a spacious living room (22.23m<sup>2</sup>) and large double bedroom (20.32<sup>2</sup>) with smaller single bedroom (7.12m<sup>2</sup>). He said the property was in good order and there was access to front and rear gardens. The gardens and communal areas were kept in good repair and condition
- 15. There was on-road resident permit parking and garages to the rear for rent (subject to availability)
- 16. The landlord had recently spent £12,314 repairing the balconies to the front of the premises and £2,874 on repairs to the flat roof which he said benefitted the building as a whole.
- 17. In addition, the landlord had spent some £2453 on improvements and licensing since the last registration.
- 18. This was on cutting of the hedge to improve the tenant's view (£300), part payment for carpets in bedroom (£232), retiling kitchen floor (£600) new radiators and thermostats (£621.60) and selective licensing fee and management charge (£700)
- 19. They provide screenshots from Rightmove of three flats to let in Southendon-Sea. All appear to be two bedroomed and two have asking rents. The first is on Clifftown Parade, it appears to be a conversion and is described as 'an

incredible flat which offers comfortable living throughout' and the asking rent is £1350 per calendar month (pcm). The second is on Alexandra Road, also either a conversion or a Victorian block. The flat is described as 'this beautiful two-bedroom ground floor flat ....' And the asking rent is £1300 pcm. The rent for the third is not visible on the screenshot.

20. They asked the tribunal to determine a rent of  $\pounds$ 275 per week with an amount for services noted as  $\pounds$ 3.15 per week.

#### **Representations – tenant**

- 21. The tenants, in their written submission said that they had moved into the property in 1987 and had tried to make it into a nice home.
- 22. They had fitted the plantation shutters and cast-iron fireplace in the living room together with the coal effect gas fire. They had also fitted the decorative ceiling rose.
- 23. Some of fitted kitchen units had been paid for jointly by the tenant and the landlord, paying half each whilst they had fitted the remainder. All white goods were provided by the tenant.
- 24. They had installed fitted wardrobes in the main bedroom and the second bedroom.
- 25. They agreed that new carpets had been fitted in the main bedroom and the landlord and tenant had split the cost on a 50/50 basis. They had provided the carpet in the second bedroom.
- 26. The bathroom suite had been installed by the tenant.
- 27. They did not agree that the hedge had been cut merely that a quote had been obtained. The kitchen flooring had been replaced due to damp coming through, which needed the floor taking up to remedy.

#### Determination

- 28. First, we need to determine the rent which the landlord could reasonably expect to obtain for the Property in the open market if it were let today in the condition and on the terms now usual for open market lettings.
- 29. The landlord has supplied two comparables in the area, but both appear to be of a finish and fit out which are superior to the subject property and both are asking rents rather than rents achieved.
- 30. There is a property advertised for let in the building, but it is not yet available due to work needing to be done.

- 31. This is a large flat in an attractive position and the tribunal believes, that based on the limited evidence provided and using its knowledge and experience that this would attract a rent of £1150 per month.
- 32. We then need to adjust this open market rent to reflect the condition of the property, to disregard the improvements made by the tenant and to allow for their internal repairing obligations.
- 33. The tenant has fitted the modern bathroom suite and much of the kitchen was replaced by the tenant although the tribunal has seen pictures of the previous kitchen units which were basic but appeared serviceable. The tenant has supplied the white goods, some of the floor covering and the curtains as well as other items as noted above.
- 34. To reflect this, the tribunal has made an adjustment of £200 per month to arrive at a fair rent of £950 per month.
- 35. We then considered whether there should be an adjustment for "scarcity" as referred to in paragraph 15 and decided that there should be an adjustment of 10%. This results in a fair rent of £855 per month or £197.50 per week inclusive of services of £3.15 per week.
- 36. The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 require that the registered rent is either the capped Fair Rent, details of which are attached to the decision notice, or the Fair Rent decided by the Tribunal <u>whichever is the lower.</u>
- 37. The capped rent is £209.50 per week, inclusive of the services of £3.15 per week. This is a fixed service charge and is therefore included in the rent. This is higher than the rent assessed by the Tribunal as set out above and therefore, the rent determined by the tribunal of **£197.50 per week** is to be registered.

Name: Mary Hardman FRICS IRRV(Hons) Date: 15 August 2022

#### **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).