

FIRST-TIER TRIBUNAL

PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference CHI/21UF/F77/2023/0034

> **Rise Farm House Cockshut Road**

Lewes **Property**

East Sussex BN73PR

Applicant Landlord J & H Robinson (Iford Farms) Ltd :

Clifford Dann LLP Representative

Respondent Tenant C & M Jenkins

None Representative

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.

Mr I R Perry FRICS

Mr M J Ayres FRICS **Tribunal Members**

Mr S J Hodges FRICS

Date of Inspection None. Determined on the papers

14th August 2023 **Date of Decision**

DECISION

Summary of Decision

On 14th August 2023 the Tribunal determined a fair rent of £1,450 per month with effect from 14th August 2023.

Background

- 1. On 27th March 2023 the Landlord's Agent applied to the Rent Officer for registration of a fair rent of £1,668 per month.
- 2. The rent was previously registered on the 24th June 2019 at £1,275 per month following a determination by the Rent Officer.
- 3. The rent was registered by the Rent Officer on the 26th May 2023 at a figure of £1,395 per month with effect from the same date.
- 4. By a letter dated 9th June 2023 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 Tribunal does not consider it necessary and proportionate in cases of this nature to undertake inspections or hold Tribunal hearings unless either are specifically requested by either party or a particular point arises which merits such an inspection and/or hearing.
- 6. The Tribunal office issued directions on 4th July 2023 which 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. Both parties were invited to include photographs and video within their representations if they so wished and were informed that the Tribunal might also consider information about the property available on the internet.
- 8. Representations were made by the Landlord's Agent which were copied to the Tenant, but no representations were made by the Tenant.

The Property

9. The property is described as a detached house, built between 1920 and 1945. With full central heating the accommodation comprises a Hall, Living Room, Dining Room, Breakfast Room, Kitchen, Utility and WC all at ground level. At first floor level there are 3 double Bedrooms and a Bathroom with W.C. Outside there are gardens and a garage.

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10. The house is built of brick with a tiled roof situated in a rural position about 4 miles northeast of Lewes where there is a railway station and shops supplying day-to-day requirements.

Evidence and representations

- 11. There is no tenancy agreement available, however the Rent Register states that the tenancy commenced on or before 1989. The Rent Officer confirms that the Tenant is responsible for internal decoration and made deductions from a market rent to reflect unmodernised accommodation.
- 12. The Landlord's Agent states that the property has been improved since the rent was last registered by virtue of the electrical wiring having been renewed. The Agent also confirms that the central heating system was installed by the Tenant and that the Tenant is responsible for provision of carpets, curtains and white goods.
- 13. The Landlord's Agent also provides details of several open market lettings of nearby properties for rents between £1,000 per month and £3,000 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).

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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 East Sussex. Having done so it concluded that such a likely market rent would be £2,000 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 £2,000 per calendar month particularly to reflect the Tenant's provision of central heating, dated accommodation, the Tenant's liability for internal decoration 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.
- 21. The Tribunal therefore considered that this required a total deduction of £550 per month made up as follows:

Tenant's provision of central heating Tenant's provision of carpets Tenant's provision of white goods Tenant's provision of curtains Tenant's responsibility for internal decoration	£200 £50 £30 £20 £50
Dated Kitchen and Bathroom	£200
TOTAL per month	£550

22. The Tribunal did not consider that there was any substantial scarcity element in the area of East Sussex.

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Decision

- 23. Having made the adjustments indicated above the fair rent determined by the Tribunal for the purpose of section 70 of the Rent Act 1977 was accordingly £1,450 per calendar month.
- 24. The Section 70 Fair Rent determined by the Tribunal is below the maximum fair rent of £1,721 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 and we determine that the lower sum of £1,450 per month is registered as the fair rent with effect from 14^{th} August 2023.

Accordingly, the sum of £1,450 per month will be registered as the fair rent with effect from the 14th August, 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 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.