



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

Case Reference : **CHI/24UB/F77/2023/0054**

Property : **The Lodge
Rawlins Farm
Charter Alley
Tadley
Hampshire
RG26 5PU**

Applicant Landlord : **Grainger Finance Company Limited**

Representative : **Grainger Plc**

Respondent Tenant : **Mr L Farr and Mrs J Farr**

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 FRICS
Ms A Clist MRICS
Mr N I Robinson FRICS**

Date of Inspection : **None. Determined on the papers**

Date of Decision : **10th November 2023**

DECISION

Summary of Decision

On 10th November 2023 the Tribunal determined a fair rent of £237.69 per week, equating to £980 per month, with effect from 10th November 2023.

Background

1. On 28th June 2023 the Landlord's Agent applied to the Rent Officer for registration of a fair rent of £281.25 per week, equating to £1,218.75 per month.
2. The rent was previously registered on the 2nd August 2021 at £225 per week equating to £975 per month with effect from 19th September 2021, following a determination by the Rent Officer.
3. The Rent Officer inspected the property on 31st July 2023 who then registered a new rent on the 17th August 2023 at a figure of £230 per week with effect from the 19th September 2023. This equates to £996.66 per month.
4. By an email dated 31st August 2023 the Landlord's Agent objected to the rent determined by the Rent Officer and by a letter dated 12th July 2023 the Tenants also objected to the rent 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 3rd October 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. Neither party made any further representations to the Tribunal.

The Property

9. From the information provided the property was built between 1919 and 1944 is described as a detached chalet style bungalow with accommodation comprising 3 rooms and a Kitchen on the ground floor with a Bedroom and Bathroom/WC on the first floor. The property has a central heating system, garden, car space and a garage.

Evidence and Representations

10. The Rent Officer inspected the property on 31st July 2023 and states that the property overlooks a paddock, stands on a good-sized plot on the access road to Rawlins Farm, has UPVC double glazing and dated kitchen fittings.
11. Drainage is to a septic tank and the property is approximately 3 miles from any shops or other amenities. There is no mains gas.
12. The Rent Officer states that the Tenants have formed a driveway to the property, replaced a garden shed, covered the rear patio, fitted a cupboard in the kitchen, fitted a shower cubicle in the bathroom and a log burner in the living room. The rent officer also noted that the Landlord had undertaken some treatment of damp and mould by spraying the walls internally and redecorating to cure black mould spores but that a damp and musky smell still prevails. The Tenants are responsible for internal decoration.
13. In their letter of objection, the Tenants say they have endured years of black mould in every room, that the septic tank leaks onto a public footpath, the back door does not shut properly, that there are rotten floorboards, a rusting radiator and no actual garage, rather a dry storage space built by the Tenants and a small adjoining shed. The Tenants suggest that the rent should be £245 per week.
14. The Landlords Agent supplied the Tribunal with a copy invoice from Kier Services Ltd in the sum of £6,539.04 for carrying out damp repair/remedial works although no detail was provided and a damp and musty smell remains.

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 good 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 Basingstoke and surrounding villages. Having done so it concluded that such a likely market rent would be £1,300 per calendar month.
20. It should be noted that most market rents are quoted on a monthly basis.
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 £1,300 per calendar month particularly to reflect the Tenants' improvements and responsibilities, condition and the fact that the carpets, curtains and white goods were all provided by the Tenants which would not be the case for an open market assured shorthold tenancy.
22. The Tribunal therefore considered that this required a total deduction of £270 per month made up as follows:

Tenants' provision of carpets	£20
Tenants' provision of white goods	£30
Tenants' provision of curtains	£10
Tenants' liability for internal decoration	£40
Dated or faulty doors and windows	£20
Continuing dampness and associated mould	£40
Oil-fired central heating and Tenants' wood burner	£20
Dated kitchen	£40
General disrepair	£50

TOTAL per month £270

23. The Tribunal considered the damp proofing works to be a Landlord's repair.
24. The Tribunal did not consider that there was any substantial scarcity element in the area of Basingstoke and surrounding villages.

Decision

25. 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 £1,030 per calendar month which equates to £237.69 per week.
26. The Section 70 Fair Rent determined by the Tribunal is below the maximum fair rent of £288.50 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 £237.69 per week will be registered as the fair rent with effect from the 10th November 2023, 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.