

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	CHI/43UH/F77/2023/0060
Property	:	2 Dorchester Court Greenlands Road Staines Surrey TW18 4LS
Applicant Landlord	:	Northumberland & Durham Property Trust
Representative	:	Grainger Plc
Respondent Tenant	:	Mr A Buhdeima
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 C M Davies FRICS
Date of Inspection	:	None. Determined on the papers
Date of Decision	:	6 th December 2023

DECISION

Summary of Decision

On 6th December 2023 the Tribunal determined a fair rent of £1,120 per month with effect from 6th December 2023.

Background

- 1. On 12th July 2023 the Landlord's Agent applied to the Rent Officer for registration of a fair rent of £1,069.27 per month including £475.70 per annum for services.
- 2. The rent was previously registered on the 15th February 2021 at £920 per month following a determination by the First-Tier Property Tribunal.
- 3. The rent was registered by the Rent Officer on the 14th September 2023 at a figure of £970 per month including £39.64 per month for services.
- 4. On the 1st August 2023 the Rent Officer had received a letter from the Tenant requesting a consultation and suggesting that there were outstanding works to the property and stating that the Tenant had carried out some repairs during the Covid Pandemic. The Tenant refers to a telephone conversation he had had with the Valuation Office but no details of this were made available to the Tribunal.
- 5. By an email dated 27th September 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.
- 6. 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.
- 7. The Tribunal office issued directions on 20th 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.
- 8. 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.
- 9. The Landlord made a submission to the Tribunal, which was copied to the Tenant, but the Tenant made no further representation.

The Property

10. From the information provided and available on the internet, the property can be described as a self-contained purpose-built ground floor flat within

a modern block of similar flats situated within a residential area about 1 mile from the centre of Staines. The block is said to have been built in 1971.

- 11. The property is within reach of all main amenities including a Railway Station and the A30 road to London.
- 12. The accommodation comprises 3 Rooms, Kitchen, Bathroom and separate WC. Outside there are communal gardens, a Garage and additional off-street parking.
- 13. The Energy Performance Rating is 'D' and the Certificate states that the property is double glazed and has night store heating.

Evidence and Representations

- 14. The Rent Officer assessed an open market rent for the property of £1,350 per month less deductions of £380 per month, including 10% for scarcity.
- 15. The Landlord's Agent states that a theoretical open market rent for the property should be £1,400 per month. Deductions should then be made for the Tenant's provision of white goods, floor coverings, curtains and blinds. In addition, the Agent suggests a deduction to reflect the Tenant's responsibility for internal decoration and a sum of £100 to reflect the general condition of the flat and garage. Further deductions of £25 per month each are suggested to reflect the Tenant's improvements to the Kitchen and the fact that the heating is from night store heaters.
- 16. These deductions would leave a net rent of £1,150 per month from which the Agent would deduct an additional 5% for scarcity which produces a net rent of £1,092.50. The agent calculates the Maximum Fair Rent at the time of his submission to be £1,069.77 and asks the Tribunal to confirm the new rent at this figure.
- 17. The Agent submitted details of comparable properties advertised to let ranging from \pounds 1,400 per month to \pounds 1,420 per month.
- 18. No representations had been received from the Tenant.
- 19. 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

20. 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.

- 21. 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).
- 22. 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.

Determination and Valuation

- 23. 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.
- 24. In calculating rent for the property the Tribunal first 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. Market rents are usually expressed as a figure per month.
- 25. In determining an 'open market rent' the Tribunal had regard to the evidence supplied by the parties and the Tribunal's own general knowledge of market rent levels in Staines. Having done so it concluded that such a likely market rent would be \pounds 1,350 per calendar month.
- 26. 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 £1,350 per calendar month particularly to reflect the Tenant's responsibilities and improvements which would not be the case for an open market assured shorthold tenancy. Further adjustments were necessary to reflect the condition of the property.
- 27. The Tribunal therefore considered that this required a total deduction of £230 per month made up as follows:

Tenant's provision of floorings	£30
Tenant's provision of white goods	£30
Tenant's provision of curtains	£10
Tenant's liability for internal decoration	£50
Tenant's improvement to out dated Kitchen	£40
Energy costs from low EPC rating and	
provision of night store heating	£20
General poor condition	<u>£50</u>
TOTAL per month	£230

28. The Tribunal noted the number of other 2-bedroom properties advertised as available to rent in the general area of Staines and decided that there was no scarcity element to be applied.

Decision

- 29. 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 £1,120 per calendar month.
- 30. The Section 70 Fair Rent determined by the Tribunal is below the maximum fair rent of £1,121 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 £1,120 per month will be registered as the fair rent with effect from the 6th December 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 <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.

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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.