



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

Case Reference : **CHI/00ML/F77/2024/0019**
Property : **Flat 2 41 Brunswick Square, Hove, BN3 1EE**
Tenant : **Mr M Lennox**
Landlord : **BPT (Assured Homes) Ltd C/O Grainger**
Type of Application : **Determination of a Fair Rent under section 70
of the Rent Act 1977**
Tribunal : **Mr R Waterhouse BSc (Hons) MA LLM
FRICS
Mr S Hodges FRICS
Mr M Woodrow MRICS**
HMCTS Code : **Determination on papers
(paper, video, audio)**
Date of Decision : **8 May 2024**
Date of Statement of Reasons: **8 May 2024**

Statement of Reasons

Decision

1.The decision of the Tribunal is that the Fair Rent of **£260 per week** is determined with effect **8 May 2024**.

Background

2.The Rent Officer, received an application to re-register a fair rent, received **28th June 2023** made by the landlord of the property requesting **£282.00 per week**.

3.Prior to the application, the Rent Officer had registered a rent of **£235.00 per week** with effect from **22 September 2021**. Following the application by the landlord for re registration of a fair rent, the Rent Officer registered a fair rent of **£248.00 per week** with effect from **22 September 2023**.

4.In an email dated 31 August 2023, the landlord objected to the rent registered and the matter was referred to the First –tier Tribunal (Property Chamber) (Residential Property).

5.Directions were issued by the Tribunal on the 3 April 2024. Thereafter, the Directions made provision for the filing with the Tribunal of the parties' respective written submissions and, in particular, for the completion of a reply form giving details of the Property and including any further comments the parties wished the Tribunal to take into account in making its determination.

6.The tenancy is a statutory (protected) periodic tenancy. The tenancy (not being for a fixed tenancy of 7 years or more) is subject to section 11 of the Landlord and Tenant Act 1985 which sets out the landlords statutory repairing obligations; the tenant is responsible for internal decorations.

The Property

7.The Tribunal did not inspect the property, but from the information provided and available on the internet, the property is a self-contained converted first floor flat, within a Grade I listed terrace property within a Regency Square in Hove. The property is of solid masonry construction with stucco rendered elevations to the

front. The flat has full central heating, and comprising three rooms, a bath shower/ WC and a kitchen. The landlord is responsible all repairs and external decorations.

Relevant Law

8. Provisions in respect of the jurisdiction of the Tribunal and the determination of a fair rent are found in Schedule 11, Part 1, paragraph 9(1) to the Rent Act 1977, as amended by paragraph 34 of the Transfer of Tribunal Functions Order 2013, and section 70 of the Rent Act 1977.

Rent Act 1977

Schedule 11, Part 1, paragraph 9 (as amended)

“Outcome of determination of fair rent by appropriate tribunal

9.-(1) The appropriate tribunal shall-

(a) if it appears to them that the rent registered or confirmed by the rent officer is a fair rent, confirm that rent;

(b) if it does not appear to them that that rent is a fair rent, determine a fair rent for the dwelling house.”

Section 70: Determination of fair rent (as amended)

“(1) In determining, for the purposes of the Part of this Act, what rent is or would be a fair rent under a regulated tenancy of a dwelling house, regard shall be had to all the circumstances (other than personal circumstances) and in particular to-

(a) the age, character, locality and state of repair of the dwelling-house, ...

(b) if any furniture is provided for the use under the tenancy, the quantity, quality and condition of the furniture [, and

(c) any premium, or sum in the nature of a premium, which has been or may be lawfully required or received on the grant, renewal, continuance or assignment of the tenancy.]

(2) For the purposes of the determination it shall be assumed that the number of persons seeking to become tenants of similar dwelling-houses in locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially

greater than the number of such dwelling-houses in the locality which are available for letting on such terms.

(3) There shall be disregarded-

(a) any disrepair or other defect attributable to a failure by the tenant under the regulated tenancy or any predecessor in title of his to comply with any terms thereof;

(b) any improvement carried out, otherwise than in pursuance of the terms of the tenancy, by the tenant under the regulated tenancy or any predecessor in title of his;

(c), (d) ...[repealed]

(e) if any furniture is provided for use under the regulated tenancy, any improvement to the furniture by the tenant under the regulated tenancy or any predecessor of his or, as the case may be, any deterioration in the condition of the furniture due to any ill-treatment by the tenant, any person residing or lodging with him, or any sub-tenant of his.”

Consequently, when determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, has regard to all the circumstances including the age, location and state of repair of the Property. It also disregards the effect of (a) any relevant Tenant’s improvements and (b) the effect of any disrepair or defect attributed to the Tenant of any predecessor in title under the regulated tenancy, on the rental value of the Property.

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 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. (The rents may have to be adjusted where necessary to reflect any differences between the comparables and the subject property).

In considering scarcity under section 70 (2), the Tribunal recognises that:

(a) there are considerable variations in the level of a scarcity in different parts of the country and that there is no general guidance or “rule of thumb” to indicate what adjustments should be made; the Tribunal, therefore, considers the case on its merits;

(b) terms relating to rents are to be excluded. A lack of demand at a particular rent is not necessarily evidence of scarcity; it may be evidence that the prospective tenants are not prepared to pay that particular rent.

Fair rents are subject to a capping procedure under the Rent Acts (Maximum Fair Rent) Order 1999 which limits increases by a formula based on the proportional increase in the Retail Price Index since last registration.

The only exception to this restriction on a fair rent is provided under paragraph 7 of the Order where a landlord carries out repairs or improvements which increase the rent by 15% or more of the previous registered rent.

Submissions

Landlord

9. The landlord made no submissions other than the application form which noted a request for a registered rent of **£282.00 per week**.

Tenant

10. The tenant, Mr M Lennox, made no submissions, other than a letter dated **8th July 2023** noting “appalling flooding to the bathroom” and that the figure in the application as too high.

Reasons for Decision

11. The rent to be determined must reflect the condition found on the date of the hearing disregarding all tenants' improvements.

12. The process for determining a fair rent is the application of Rent Act 1977 section 70 on the subject property and then comparison with the maximum rent permitted under the Maximum Fair Rent Order 1999. This means that comparison with other properties the subject of Fair Rent is not material. Initially the Tribunal determined what rent the Landlord could reasonably be expected to obtain for the subject property in the open market if it were let today in the condition that is considered usual for such an open market letting.

13. Considering evidence submitted and the Tribunal acting in its capacity as an expert tribunal and using its general knowledge of market levels in the area, concluded that the market rent, on modern assured shorthold tenancy terms would be **£1500 per month** equivalent to **£346.15 per week**. However, the subject property is not in the condition considered usual for a modern letting at a market rent so adjustments need to be made. The property as let would have no floor coverings, no white goods, and would have had a bathroom and kitchen which are dated, given the tenancy commenced in 1966.

14. Market derived rental level - £1500 per month

Less 25%

To reflect the difference of terms between regulated tenancies and assured shorthold tenancy where the landlord will have responsibility for internal decoration.

Additionally, the property as let will have no floor coverings, white goods and a dated bathroom and kitchen.

Deduct £ 375 per month

£1125 per month

15. There are a reasonable number of properties to let of similar nature in the locality and so no allowance is made for scarcity.

Rent in accordance with section 70 is £1125 per month which is equivalent to £259.61 say £260.00 per week

16. The rent after this final adjustment is **£260.00 per week.**

Rent Acts (Maximum Fair Rent) Order 1999

17. The rent to be registered is not limited by the Rent Acts (Maximum Fair Rent Order) 1999 because the rent calculated in accordance with the Order is higher **£303.50 per week than** the rent determined under section 70 which is **£260.00 per week.**

18. Accordingly, the sum of **£260.00** per week will be registered as the fair rent with effect from **8 May 2024**, being the date of the Tribunal's decision.

Valuer Chair: Richard Waterhouse FRICS

Decision Date: 8 May 2024

Extended reasons: 8 May 2024

Appeal to the Upper Tribunal

A person wishing to appeal this decision to the Upper Tribunal (Property Chamber) on a point of law must seek permission to do so by making a written application to the First-tier Tribunal at the Regional Office which has been dealing with the case which application must:

- a. be received by the said office within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- b. 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.

If the application is not received within the 28 –day time limit, it must include a request for an extension of time and the reason for it 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.