



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

Case Reference	:	CAM/26UG/F77/2023/0026
Property	:	48 Sandridge Road, St. Albans Herts AL1 4AJ
Applicant	:	Mr C Canning (Tenant)
Representative	:	None
Respondent	:	Timro Investments Ltd & Farnpoint Ltd. (Landlord)
Representative	:	North Central Property Management
Type of Application	:	S.70 Rent Act 1977 – Determination of a new fair rent
Tribunal Members	:	Mr N. Martindale FRICS
Date and venue of Meeting	:	18 September 2023 First Tier Tribunal (Eastern) HMCTS Cambridge CB1 1BA
Date of Decision	:	18 September 2023

REASONS FOR DECISION

Background

- 1 By an application (undated) received earlier in 2023, the landlord applied to the Rent Officer for registration of a fair rent of £11,000 pa. The application was for a new annual rent for the Property, despite the existing registration being for a weekly rent. The rent payable at the time of the application was £181 per week 7 April 2021.
- 2 On 31 May 2023, the Rent Officer registered a fair rent of £230 pw with effect from 31 May 2023. By a letter undated but received on 7 June

2023, by the Rent Officer, the tenants objected to the new fair rent. The First Tier Tribunal was notified of this objection and a request for a fresh determination of the rent.

Directions

- 3 Directions dated 25 July 2023 were issued for case progression. Neither party requested a hearing. The tenant's written representations dated received 7 June to the VOA Rent Officer were forwarded to the Tribunal. No representations were received from the landlord. There was no inspection.

Tenant's Representations

- 4 None received by the Tribunal, other than a copy of the original objection to the Rent Officers figure.

Landlord's Representations

- 5 No representations were received from the landlord by the Tribunal.

Inspection

- 6 The Tribunal did not inspect the Property. The Tribunal was however able to externally view the Property from Google Streetview (@ May 2022). The semi detached house appears to date from the 1900's on a busy residential road on the outskirts of the town. The Property has a double pitched single tiled roof and front elevation of brick and render. There appeared to be single glazed windows. Externally the Property appears to be in fair condition.

Law

- 7 When determining a fair rent the Committee, 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.
- 8 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 emphasized
- (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).
- 9 Where the condition of a property is poorer than that of comparable properties, so that the rents of those comparables are towards twice that proposed rent for the subject property, it calls into question whether or not those transactions are truly comparable. Would prospective tenants of modernized properties in good order consider taking a tenancy of an un-modernised house in poor repair and with only basic facilities or are they in entirely separate lettings markets? The problem for the Tribunal is that the only evidence of value levels available to us is of modernised properties. We therefore have to use this but make appropriate discounts for the differences, rather than ignore it and determine a rent entirely based on our own knowledge and experience, whenever we can.
- 10 On the evidence of the comparable lettings and our own general knowledge of market rent levels in St Albans, we accept that the subject property would let on normal Assured Shorthold Tenancy (AST) terms, for £500 pw. This then, is the appropriate starting point from which to determine the rent of the property as it falls to be valued.
- 11 A normal open market letting would include carpets, curtains and “white goods”, the landlord states that these were provided here by the landlord. The Tribunal assumes that the kitchen and bathroom whilst functional are basic. There is no double glazing. The landlord states that there is full central heating. These deductions total £100, leaving the adjusted market rent at £400 pw.
- 12 The Tribunal also has to consider the element of scarcity and whether demand exceeded supply. The Tribunal found that there was some scarcity in the locality of St. Albans for this type of property and therefore makes a further deduction from the adjusted market rent to reflect this element of 10%.
- 13 The fair rent to be registered on this basis alone would be £360 pw. but, the new rent is limited by the statutory Maximum Fair Rent Cap calculation. This limits any increase to the change in RPI between the date of the last registration of a fair rent and the current, plus 5%. The calculations are shown in the MFR form and this caps the new rent at £238 pw. The fair rent from and including the date of determination, is therefore £238 pw. The Rent Act makes no allowance for the Tribunal to take account of hardship arising from the new rent payable compared with the existing rent.

- 14 The landlord is entitled but, not compelled, to charge the tenants rent at the registered figure from the effective date. However the landlord may not charge more than the fair rent.

Chairman N Martindale FRICS

Dated 18 September 2023

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 either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) on any point of law arising from this Decision.

Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this decision to the person making the application (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013).

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).