



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

Case Reference : **CHI/29UB/F77/2024/0026**

Property : **Egerton House Cottage
Egerton House Road
Egerton
Ashford
Kent
TN27 9BD**

Applicant Landlord : **Mountview Estates Ltd**

Representative : **None**

Respondent Tenant : **Ms C Hill**

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
Mr P E Smith FRICS
Mr S J Hodges FRICS**

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

Date of Decision : **14th August 2024**

DECISION

Summary of Decision

On 14th August 2024 the Tribunal determined a Fair Rent of £535 per month with effect from 14th August 2024.

Background

1. On 29th April 2024 the Landlord applied to the Rent Officer for registration of a fair rent of £604 per month.
2. This was a first registration of rent for the property, it having been recently acquired by the Landlord.
3. A rent was registered by the Rent Officer on the 6th June 2024 at a figure of £608 per month. This new rent was effective from 6th June 2024.
4. On 28th June 2024 the Tenant 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 routinely 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 9th July 2024 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. The Tenant made a submission to the Tribunal, which was copied to the Landlord, but no representations were received from the Landlord.
9. These reasons address **in summary form** the key issues raised by the parties. They do not recite each and every point referred to either in submissions or during any hearing. However, this does not imply that any points raised, or documents not specifically mentioned were disregarded. If a point or document was referred to in the evidence or submissions that was relevant to a specific issue, then it was considered by the Tribunal. The Tribunal concentrates on those issues which, in its opinion, are fundamental to the application.

The Law

10. 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.

11. 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).
12. 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.
13. The tenancy is a statutory (protected) periodic tenancy and as such (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

14. From the information provided and available on the internet, the property can be described as a period semi-detached house with accommodation comprising 2 Living Rooms, Kitchen, Bathroom and WC at ground level with 2 Bedrooms at first floor level. In the past the Tenant had erected a temporary partition to divided one bedroom into two, but this was only a temporary chipboard division.
15. Outside there is a garden.
16. The property is situated in a rural area between Maidstone and Ashford, Kent, with few local amenities. Ashford is about 10 miles away.
17. The Energy Performance rating is 'G'.

Evidence and Representations

18. The original tenancy began in December 1984.
19. The Tenant states that the house has no central heating, little or no insulation, dated 'Crittall' windows, poor fitting doors and windows, and

that the kitchen, bathroom and WC are virtually uninhabitable during the winter months.

20. The Tenant states that all carpets, curtains and white goods are provided by the Tenant, the doors and windows are ill fitting making it very difficult to heat the property during the winter months, and that they have constant issues with rodents in the property.
21. The previous landlord had provided wall-mounted electric heaters, but these were very expensive to use as the house was so draughty.
22. The Tenant provided photographs in support of these statements and also showing the general level of disrepair.
23. The Tenant states that a fair rent would be no more than £608 per month.
24. 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.

Valuation

25. 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. Neither party had requested an inspection or hearing. Having read and considered the papers it decided that it could do so.
26. 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. Market rents are usually expressed as a figure per month and a letting would normally include floorings, curtains and white goods to all be provided by the Landlord.
27. 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 the area of Maidstone, Ashford and surrounding settlements. Having done so it concluded that such a likely market rent for a 2-bedroom semi-detached property would be £1,200 per month.
28. 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 £1,200 per calendar month particularly to reflect 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.
29. Further adjustments were necessary to reflect the Tenant's liability for internal decoration, the dated Kitchen and Bathroom, very poor energy rating and insulation, lack of central heating (electric panel heaters only) and general condition including severe black mould growth affecting the rear rooms at ground level.

30. The Tribunal therefore considered that this required a total deduction of £665 per month made up as follows:

Tenant's provision of carpets and curtains	£40
Tenant's provision of white goods	£30
Tenant's liability for internal decoration	£50
Unmodernised bathroom	£75
Unmodernised kitchen	£120
Poor EPC rating, lack of central heating, (electric panel heaters only), mould	£250
General wants of external repair	<u>£100</u>
TOTAL per month	£665

31. The Tribunal noted the number of properties available to rent in the area as advertised on Rightmove and Zoopla and concluded that there was no substantial scarcity element in the area considered.

Decision

32. 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 £535 per calendar month.
33. This is the first registration of rent for the property so the restriction on rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 does not apply.

Accordingly the sum of £535 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.