



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

Case reference : **BIR/OOCT/F77/2024/0027**

Property : **38 Wolverley Road
Solihull
Birmingham
B92 9HW**

Applicant : **West Ella Estates Ltd
(Previously Northumberland and Durham
Property Trust Ltd)**

Representative : **None**

Respondent : **Mr D J Twiss**

Representative : **None**

Type of application : **Application under Section 70 of the Rent
Act 1977 by the Applicant against the rent
assessed for the property by the Rent
Officer**

Tribunal members : **Mr G S Freckelton FRICS (Chairman)
Mrs J Rossiter MBA MRICS
Mrs K Bentley**

Inspection/Hearing : **Neither party requested an inspection or
hearing**

**Date of original
decision** : **31st October 2024**

DETAILED REASONS

BACKGROUND

1. On 12th March 2024, the Applicant Landlord applied to the Rent Officer for registration of a fair rent of £745.20 per month for the property 38 Wolverley Road, Solihull, Birmingham, B92 9HW. The rent payable at the time of the application was stated as being £621.00 per month.
2. The rent was previously registered at a rental of £620.00 per month with effect from 27th March 2022 following a registration by the Rent Officer.
3. The Rent Officer registered a rental of £678.00 per month with effect from 19th May 2024.
4. By letter dated 22nd May 2024, the Applicant objected to the rent determined by the Rent Officer and the matter was referred to the Tribunal.
5. The Tribunal made a determination of the rent payable on 31st October 2024 and these Detailed Reasons are given in response to a request for same by the Applicant.

INSPECTION

6. Neither party requested the Tribunal to carry out an inspection of the property and the determination was therefore made based upon the submissions received by the Tribunal.
7. Based on the submissions provided, the Tribunal understands that the property comprises of a semi-detached house with one reception room and kitchen on the ground floor. On the first floor the landing leads to three bedrooms and bathroom.
8. There are gardens, a car parking space, store and outside W.C.
9. The Tribunal understands that the property is modernised and has central heating.

EVIDENCE

10. The Tribunal received written representations from both parties which were copied to the other party.
11. Neither party requested a hearing and the matter was therefore dealt with by a paper determination.

THE APPLICANT'S SUBMISSIONS

12. The Applicant submitted that the property was in fair condition given its age and type and supplied a schedule of properties in the area which were both on the market and had been let. It was acknowledged that the property was not equivalent to modern standards and in making its application for a fair rent had taken account of the fact that the tenant had provided carpets, curtains and white goods.
13. The Applicant also acknowledged that the tenant had modernised the kitchen and bathroom and fitted a porch and car port.
14. The Applicant further submitted that a deduction of £100.00 was appropriate for the better condition of a property let on the open market as opposed to this house.

15. To determine a Market Rental the Applicant referred to several similar three-bedroom semi-detached properties in the area with rentals ranging from £1,200.00 per month to £1,550.00 per month.

RESPONDENT'S SUBMISSIONS

16. The Respondent submitted that since the previous Registration no works had been completed to the property. In particular repairs were required to a fence and the driveway.

THE LAW

17. 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.
18. In *Spath Holme Limited v Chairman of the Greater Manchester, etc. Committee* [1995] 28HLR107 and *Curtis v London Rent Assessment Committee* [1999] QB92 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 were usually appropriate comparables. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparables and the subject property).

VALUATION

19. In the first instance, the Tribunal determined what rent the Applicant could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such open market lettings. It did this by having regard to the Tribunal's own general knowledge of market rent levels in the area of Birmingham.
20. Having taken the various matters into consideration it determined that the open market value of the property in good condition would be the sum of £1,150.00 per month.
21. However, the actual property is not in the condition considered usual for a modern letting at a market rent. Therefore, it was first necessary to adjust the hypothetical rent of £1,150.00 per month to allow for the differences between the condition considered usual for such a letting and the condition of the actual property as described by the parties and the Rent Officer (disregarding the effect of any disrepair or other defects attributable to the tenant or any predecessor in title).
22. The Tribunal determined that the following weekly deductions were appropriate:

a) <u>Repairs to fence and driveway</u>	<u>£50.00</u>
Total	£50.00

23. The Tribunal then considered the improvements carried out by the Respondent tenant and assessed these as follows:

Carpets and curtains	40.00
White goods	25.00
Modernised kitchen	50.00
Modernised bathroom	30.00
Car port/porch	20.00
Lounge Fireplace	5.00
<u>Decorating liability</u>	<u>70.00</u>
Total	£240.00

24. The Tribunal noted that in its submission the Applicant referred to a property being to let in the open market as being worth £100.00 more per month than a Regulated tenancy. The Tribunal considered this and agrees with the principle behind this submission in that a modern open market letting property is likely to be in better general condition than an older Regulated tenancy. Such a property is likely to have, for example, additional electrical sockets, more modern internal fittings and be generally better presented. In this case the Tribunal is of the opinion that a further deduction of £60.00 is appropriate.

25. The Tribunal then considered the question of scarcity. This is done by considering whether the number of persons genuinely seeking to become tenants of similar properties in the wider area of the West Midlands on the same terms other than rent is substantially greater than the availability of such dwellings as required by section 70(2) of the Rent Act 1977.

26. The Tribunal finds that many Landlords dispute that scarcity exists because they are of the opinion that the market is 'in balance'. Although Tenants do not in all cases have difficulty in finding accommodation this ignores the fact that it is the price of such accommodation which creates a balance in the market. Section 70(2) specifically excludes the price of accommodation from consideration in determining whether there are more persons genuinely seeking to become Tenants of similar properties than there are properties available. Although the rental market for Assured Shorthold properties may be in balance many potential Tenants may be excluded from it for various reasons such as age, poor credit history or because they are on housing benefit.

27. In this case the Tribunal, having carried out appropriate research, is satisfied that it is not appropriate to make a deduction for scarcity. This leaves a fair rent for the subject property of £800.00 per month (£1,150.00 - £50.00 - £240.00 - £60.00)

28. The Section 70 fair rent determined by the Tribunal is below the level of the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 and accordingly the rent is therefore determined at £800.00 per month.

DECISION

29. The fair rent determined by the Tribunal for the purposes of Section 70 was accordingly £800.00 per month.

APPEAL

30. If either of the parties is dissatisfied with this decision, they may apply to this Tribunal for permission to appeal to the upper Tribunal (Lands Chamber), **on a point of law only**. Any such application must be received within 28 days after these written reasons have been sent to them (Rule 52 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).

Graham Freckelton FRICS
Chairman
First-tier Tribunal Property Chamber (Residential Property)