

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : HAV/00HY/F77/2024/0609

Property: 94 High Street,

Corsham, Wiltshire, SN13 oHG

Applicant Tenant: Mr M W Whalley

Representative : None

Respondent Landlord: Mr J P A Methuen-Campbell

Representative: Mr R Frankton, The Corsham Estate

Type of application: Determination of a Fair Rent

Section 70, Rent Act 1977

Tribunal member(s) : Mr J G G Wilson MRICS

Mr I R Perry BSc FRICS Mr N I Robinson FRICS

Date of inspection : None, Determination on Papers

Date of decision : 17 December 2024

DECISION

Decision of the Tribunal

On 17 December 2024 the Tribunal determined a Fair Rent of £765 (Seven Hundred and Sixty-Five Pounds) Per Calendar Month to take effect from 17 December 2024.

Background

- 1. On 13 August 2024 the Landlord's Agent (Mr Robert Frankton) submitted an Application for Registration of Fair Rent ('RR1') to the Rent Officer to register a fair rent of £785 per calendar month for the property, 94 High Street, Corsham, Wiltshire, SN13 oHG ('the property').
- 2. This was an application to re-register the fair rent from its previous registration of rent on 7 November 2022 for the property of £695 per calendar month, effective from 7 November 2022.
- 3. A new rent of £791.50 per calendar month was registered by the Rent Officer, effective from 7 November 2024. The uncapped rent was £795.25 per calendar month.
- 4. In a letter dated 19 October 2024 to the Valuation Office Agency ('VOA') the Tenant (Mr Whalley) gave his objection to the new rent registered and the matter was referred to the First-Tier Tribunal Property Chamber (Residential Property), formerly a Rent Assessment Committee.
- 5. The Tribunal issued Directions dated 1 November 2024. The Tribunal does not consider it necessary and proportionate in cases of this nature neither to undertake an inspection, nor to hold a Tribunal hearing unless either are specifically requested by either party or a particular point arises which merits such an inspection and/or hearing.
- 6. The Tribunal in its Directions informed the parties that, unless either party objected, the Tribunal intended to determine the rent on the papers (written representations), paragraph 5.
- 7. Similarly, the parties were informed the Tribunal will not inspect the property but will seek to view it on the internet; and goes on to say if it considers it necessary, it may carry out an external inspection, paragraph 6.
- 8. The parties were directed to complete and return their Fair Rent Appeal Statement ('Statement') to form their statement of case, within specific time limits, paragraphs 8 12 inclusive. The Statement provides for photographs to be attached, to assist the Tribunal to understand the case and to help the party to present the issues.
- 9. Both parties submitted a Statement in accordance with the Directions. In broad terms, whereas each Statement includes a description of the property, neither included any photographs, albeit the Landlord's representative has provided a floor plan.

The Property

10. From the information provided in the Papers and Google Street View, 94 High Street, Corsham is a two-storey, 17th Century, Grade II* listed,

- terrace house, in a small town with similar period properties. Corsham is located south of the A4, to the west of Chippenham and to the east of Bath.
- 11. In the RR1 dated 13 August 2024 the number and type of room(s) is listed as: ground floor one reception room, kitchen/diner, store, and first floor three bedrooms and one bathroom/WC. A floor plan of the property is provided in Mr Frankton's Statement.
- 12. In addition, there is a shared garden.
- 13. In his Statement, Mr Frankton has also provided a copy of the Energy Performance Certificate (EPC) which gives an energy rating for the property of 'D', valid until 8 February 2032.

The Tenancy Agreement

- 14. A copy of the counterpart agreement dated 4 February 1977 is provided within Mr Frankton's Statement. The tenancy is from month to month; having commenced 25 February 1977. The initial rent was £260 per annum, £5 per week.
- 15. The Tenant is '...to pay all Rates, Water and lighting Charges and Taxes which may become due or payable in respect of the Premises...'
- 16. Repairs, clause 5: notwithstanding that section 11, Landlord and Tenant Act 1985 applies, the tenant is responsible for the chimney to be swept at least twice a year.

Submissions – Fair Rent Appeal Statements

- 17. It is not the Tribunal's intention to give an analysis of all the evidence listed, but to outline the overall valuation approaches of the parties, to show that all aspects have been considered.
- 18. The Respondent Landlord's representative, Mr Robert Frankton of the Corsham Estate, submitted his Statement in accordance with the Directions and copied the same to the tenant the same day, 12 November 2024.
- 19. Mr Frankton assesses the market rent of 94 High Street at '£1,295 per calendar month, assuming the property is unfurnished and before any allowance is made for there being no carpets, an unmodernised kitchen etc.'
- 20. Mr Frankton is silent on whether the Maximum Fair Rent Order should not apply.
- 21. In his Statement, Mr Frankton says central heating is provided by the landlord and there is a shared garden. Under 'Improvements' 'The landlord installed central heating with new gas-fired boiler, in autumn 2009.'
- 22. Under 'Condition of the property including; a) Disrepairs/Defects and b) Age and Condition of Bathroom and Kitchen fittings' Mr Frankton confirms section 11, Landlord and Tenant Act 1985 applies and goes on to say 'The applicant refers, in their letter (that is the letter dated 19 October

2024) objecting to the rent increase, to there having been no inspections of the open fire, loft insulation or the electrical installation.' The Tribunal outlines the points Mr Frankton makes.

- 'Sweeping of the chimney is a tenant responsibility...', see paragraph 16 above.
- Loft insulation 'The property has a current EPC certificate with an energy rating D-59. The EPC report followed an inspection and records the loft insulation depth as 100mm and 150mm...and is dated 9 February 2022.'
- Electrical installation 'The property meets the requirement of the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020. It has a current EICR, dated 16 June 2020 and the identified remedial works are recorded in an installation certificate dated 27 October 2020. A further minor works certificate, dated 14 October 2022, was issued when a repair was completed to the shower pull cord isolator. Copies available on request.'
- 23. Mr Frankton assesses the market rent of the property at £1,295 per calendar month, on the assumption it 'is unfurnished and before any allowance is made for there being no carpets, an unmodernised kitchen etc.' Thereafter Mr Frankton outlines two recent lettings on the Corsham Estate as comparable evidence to support his rental valuation. Both of which he says, 'with standard terms of repair, under Section 11 of the Landlord & Tenant Act 1985.'
- 24. 98 High Street, SN13 oHG: mid-terrace house, ground floor one reception room, kitchen, first floor two bedrooms, study/child's bedroom, bathroom/WC. Small garden, gas fired central heating, no white goods, on street parking, EPC rating D-62. No. 98 let at £1,100 per calendar month (£13,200 per annum) with effect from 11 October 2024. 'The property was not newly refurbished and was therefore re-let with the existing bathroom/WC, kitchen, carpets and internal decoration (all therefore showing fair wear and tear). If refurbished, we would assess the rent at £1,295 per calendar month.'
- 25. South Lodge, SN13 9HR: a detached house, ground floor two reception rooms, kitchen, first floor three bedrooms, bathroom/WC. Large garden with storage sheds, gas fired central heating, no white goods, on street parking, EPC rating E-42. Rent agreed at £1,425 per calendar month (£17,100 per annum) to commence 1 December 2024. 'This was a recent letting following refurbishment with new kitchen, carpets and redecoration (bathroom not replaced).'
- 26. Under 'Whether the demand for such properties exceeds supply' Mr Frankton says, 'Yes. Recent letting of neighbouring property (98 High Street) generated 11 viewings and 5 offers to rent.'
- 27. In his Statement, the Applicant Tenant, Mr Whalley, confirms a copy of the same was sent to the Landlord's representative on 27 November 2024. It is understood a previous copy had been sent to Mr Frankton on 19

November 2024, but one page of the same was missing.

- 28. The accommodation is confirmed as outlined in paragraph 11 above.
- 29. Under <u>Features</u>, the following are agreed between the parties:
 - a) Central heating is provided by the landlord.
 - b) There is no double glazing.
 - c) Carpets and curtains are provided by the tenant.
 - d) There is a shared garden.
- 30. Improvements, Mr Whalley gives outline details, as follows.
- 31. Kitchen 'In the 47 years that we have had our tenancy we have never had a new kitchen provided...'
- 32. Downstairs WC 'This was installed and paid for by us.'
- 33. Coal Fire Mr Whalley confirms this is serviced by them yearly.
- 34. Loft Insulation Mr Whalley says loft insulation has never been provided and that he has both had it installed and paid for the same.
- 35. First Floor Bathroom Mr Whalley has replaced the bath with a shower, at their expense.
- 36. Under 'Condition of the property', Mr Whalley says, 'The kitchen and bathroom is of a reasonable standard (not to a high standard...'
- 37. Under 'Any Other Comments' Mr Whalley confirms internal decorations are the responsibility of the tenant.
- 38. Mr Whalley does not give his opinion of the rental value of the property, but under 'Whether the Maximum Fair Rent Order should not apply (give reasons) says 'In the past our rent has increased by approx. £50 per month, however this time it is nearly £100. I feel that considering how much of the time, cost of materials/fixings this is exceptionally high.'

The Law

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 any other defect attributable to the tenant or 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 & Lancashire Rent Assessment 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 comparable lettings. (These rents may have to be adjusted where necessary to reflect any relevant differences between those comparable lettings and the subject property).
- 39. The Tribunal is also 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 ('RPI'). 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.
- 40. 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.
- 41. 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 landlord's statutory repairing obligations; the tenant is responsible for internal decorations.

Considerations and Valuation

- 42. The Tribunal first considered whether it felt able to decide this case reasonably and fairly based on the papers submitted only, with no oral hearing. Having read and considered the papers the Tribunal decided it could do so.
- 43. In the first instance the Tribunal determined the market rent per calendar month the Landlord could reasonably expect to receive on the valuation date, 17 December 2024, on the assumptions the property was in good condition, with floorings, curtains and white goods provided by the Landlord.
- 44. To determine the market rent the Tribunal has considered the evidence provided by the parties coupled with its own general knowledge of market rents in the north-west Wiltshire/north-east Somerset area.
- 45. Mr Frankton provided the Tribunal with two lettings (98 High Street, SN13 and South Lodge, SN13), as comparable evidence to reach his opinion of the market rent of the property, post refurbishment, of £1,295 per calendar month.
- 46. Of Mr Frankton's two comparable lettings, the Tribunal gained more assistance and thus attributed more weight to the letting at 98 High Street. No. 98 forms part of the subject terrace. It is situated two doors away and is of the same architectural design. From the outline description of No. 98, the Tribunal understands the accommodation provided is similar to that of the subject property. The rent achieved of £1,100 per calendar month in October 2024 reflects that whereas the house had not been refurbished,

it was let in a reasonable condition but showing signs of wear and tear.

- 47. Taking the above into consideration and having perused Rightmove for similar properties available to let in the area at the valuation date, the Tribunal determined the market rent of the property to be £1,200 per calendar month, before any adjustment(s) it deemed applicable were to be applied.
- 48. From the evidence in the parties' Appeal Statements, the Tribunal has determined that adjustments to the market rent are to be applied to reflect the following:
 - The Tenant's provision of carpets and curtains.
 - The Tenant's provision of the white goods.
 - The Tenant's responsibility for internal decorations.
 - The unmodernised bathroom/WC.
 - The unmodernised kitchen.
 - Neither provision of double glazing, nor insulation of the roof space and the associated energy costs.
 - The 'shared' garden.
 - The access to the bathroom/WC on the first floor.
- 49. On the latter bullet point from the floor plan provided the access to the bathroom/WC on the first floor is either through the rear bedroom, or via the rear staircase. The Tribunal has made an adjustment to reflect the inconvenient access to the bathroom/WC from the front and middle bedrooms.
- 50. The Tribunal concluded a deduction in aggregate of £435 per calendar month be applied to the market rent, made up of as follows:

Carpets and curtains White goods Internal decorations Unmodernised bathroom/WC Unmodernised kitchen Double glazing, insulation and associated costs 'Shared' garden	£50 £30 £50 £100 £100 £50 £25
'Shared' garden	£25
Access to the bathroom/WC	£30

TOTAL - £ Per Calendar Month £435

- 51. £1,200 per calendar month minus £435 per calendar month, to equal £765 per calendar month.
- 52. Turning to the question of scarcity, whereas Mr Frankton says that the recent letting at 98 High Street generated 11 viewings and five offers to

rent, the Tribunal noted the number of properties available to rent in the wider locality as advertised on Rightmove and concluded there is no adjustment required for scarcity in the area.

Decision

- 53. Accordingly, having made the adjustments listed above, The Tribunal determined the Fair Rent of the property be re-registered at £765 (Seven Hundred and Sixty-Five Pounds) Per Calendar Month, to take effect from 17 December 2024.
- 54. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 do not apply because the rent determined is less than the maximum prescribed, which the Tribunal calculated to be £793 (Seven Hundred and Ninety-Three Pounds) Per Calendar Month.

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 a 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 days' 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 days' 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.