

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : HAV/23UC/F77/2025/0608

**Property :** Hazel House

Long Newnton

Tetbury

Gloucestershire

GL8 8RH

**Applicant Landlord** : Northumberland & Durham Property Trust Limited

**Representative**: Mr R Tucker

**Grainger PLC** 

**Respondent Tenant**: Mrs Jill Peacey

**Representative**: None

**Type of application**: Determination of a Fair Rent

Section 70, Rent Act 1977

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

Mr S Hodges FRICS Judge R Percival

**Date of inspection** : None, Determination on Papers

**Date of decision** : 27 March 2025

### **DECISION**

### **Decision of the Tribunal**

On 27 March 2025 the Tribunal determined a Fair Rent of £995 (Nine Hundred and Ninety-Five Pounds) Per Month, to take effect from 27 March 2025.

## **Background**

- 1. On 25 October 2024 the landlord submitted its application for Registration of Fair Rent ('RR1') to the Rent Officer to register a fair rent of £1,141.33p per month for the property, Hazel House, Long Newnton, Tetbury, Gloucestershire, GL8 8RH ('the property').
- 2. This was an application to re-register the fair rent from its previous registration of rent for the property of £975.50p per month, effective from 14 January 2023.
- 3. A new rent of £995.00p per calendar month was registered by the Rent Officer, effective from 14 January 2025.
- 4. In a letter dated 15 January 2025 and sent by email to the Valuation Office Agency ('VOA'), Ms Deborah Caslaw of Grainger Residential Management Limited (on behalf of the landlord), gave her 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 7 February 2025. 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. Mr Ryan Tucker submitted his Statement on 14 February 2025, in accordance with the Tribunal's Directions. Mrs Peacey submitted her Statement on 7 March 2025, also in accordance with the Tribunal's Directions.
- 10. In broad terms, each Statement includes a description of the property and a selection of photographs, but not a floor plan.

## The Property

- 11. The Tribunal did not inspect the property but considered this case on the papers provided by the parties and information freely available on the internet.
- 12. Hazel House is a two-storey, period detached house, of Cotswold stone construction and pitched tiled roof. In the RR1 dated 19 December 2024 the number and type of room(s) is listed as: ground floor three rooms, kitchen and bathroom/WC, and first floor three rooms. Outside, there is a parking space and a garden.

# **The Tenancy Agreement**

13. Whereas the Tribunal has not been provided with a copy of the tenancy agreement, from the landlord's application for re-registration of the fair rent it is understood to have commenced on 1 January 1980. Neither services nor furniture are provided by the landlord. Council Tax and other rates are borne by the tenant. Section 11, Landlord and Tenant Act 1985 applies; the tenant is responsible for internal decorations only.

# **Submissions – Fair Rent Appeal Statements**

- 14. 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.
- 15. In his Statement, under 'Improvements', Mr Tucker says the landlord installed partial double glazing in 2013, a new soak-away in 2018 and a new gas boiler in 2024. Mr Tucker goes on to say under 'Disrepair/Defects' that the tenant installed the fitted kitchen, and the landlord had installed the white bath suite.
- 16. Mr Tucker goes on to describe the property as being in a fair condition, given its type and age. Mr Tucker provides three comparable lettings which he has referred to in reaching his assessment of the rental value of £1,141.33p per calendar month, taking account of its age, condition and the nature of the tenancy. Photographs and outline lettings details have been provided to present his case.
- 17. The three properties are two and three-bedroom cottages, each with rental values of £1,250 per calendar month. From a market rent of £1,250 per calendar month, Mr Tucker makes an adjustment in aggregate of £105 per calendar month for a modernised bathroom, the installation of the kitchen, floor coverings and curtains, the supply of White Goods, improvements carried out by the tenant and the tenant's internal decorations obligation.
- 18. Mr Tucker concludes by saying that based on the information provided, the registered rent is below the value attributable to the property and should be revalued accordingly.
- 19. On the question of whether the Maximum Fair Rent Order should not apply Mr Tucker says "N/A."

- 20. Under 'Whether the demand for such properties exceeds supply' Mr Tucker says, "There is an inadequate supply of similar properties available in the area so an element of scarcity will likely apply in this case."
- 21. In her Statement and associated correspondence, Mrs Peacey confirms the outline accommodation and features of the property given by Mr Tucker and goes on to outline the condition, maintenance and disrepair issues at the property.
- 22. The Central Heating which was installed circa 30 years ago is "...wholly inadequate", the double glazing was installed circa 25 years ago, and the bathroom was fitted over 10 years ago, for which the tenants have installed the shower and did the tiling.
- 23. Under 'Disrepair/Defects' Mrs Peacey outlines damp problems to the ground floor rooms, water ingress to the kitchen due to a leak in the roof of the single-storey extension, fragility of the ceiling and walls in the dining room, black mould in the bathroom, water ingress in the porch when it rains, dislodged loose bricks to the chimney stack. Under 'Any Other Comments' Mrs Peacey reiterates points previously made and itemises further matters of disrepair and has provided a selection of photographs to present her case.
- 24. Mrs Peacey's assessment of the rental value of the property "...it would appear I am already paying more than comparable properties with a similar protected tenancy agreement" is borne of her analyses of five comparable regulated rents drawn down with corresponding entries appended from the gov.uk website of Registered Fair Rents of nearby houses.
- 25. The range of the registered rents listed of four semi-detached and one detached house is from an equivalent £747.30p per calendar month to £891.00 per calendar month.
- 26. Finally with respect to the application or otherwise of the capping legislation and the question of scarcity, Mrs Peacey says, "Don't know."

#### 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).
- 27. 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.
- 28. 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.
- 29. 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**

- 30. 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.
- 31. In the first instance the Tribunal determined the market rent per month the landlord could reasonably expect to receive on the valuation date, 27 March 2025, on the assumptions the property was in good condition, with floorings, curtains and white goods provided by the landlord.
- 32. After reviewing the rental values of the comparable lettings' properties given by the parties and of its own expert, general knowledge of rental values in the area, the Tribunal determines that the market rent for the property in good tenantable condition is £1,500 (One Thousand, Five Hundred Pounds) Per Month, before any adjustment(s) which it deemed applicable were to be applied.
- 33. From the evidence in the parties' Appeal Statements and the associated correspondence, the Tribunal has determined that adjustments to the market rent are to be applied to the market rent to reflect the following:
  - The Tenant's provision of the White Goods.
  - The Tenant's responsibility for internal decorations.

- The Tenant's installation of the fitted kitchen.
- The Tenant's provision of carpets and curtains.
- The unmodernised bathroom.
- General requirements of repairs.
- 34. The Tribunal concluded a deduction in aggregate of £505 per month be applied to the market rent, made up of as follows:

Tenant's provision of White Goods	£30
Tenant's responsibility for internal decorations	£50
Tenant's installation of the fitted kitchen	£150
Tenant's provision of carpets and curtains	£75
The unmodernised bathroom	£100
General requirements of repairs	<u>£100</u>

TOTAL £ Per Month

£505

- 35. £1,500 per month minus £505 per month, to equal £995 per month.
- 36. Turning to the question of scarcity, whereas Mr Tucker says, "...an element of scarcity will likely apply in this case" the Tribunal has had regard to the comparable evidence provided by the parties and of its own expert, general knowledge of the lettings market in the area and concluded there is no adjustment required for scarcity.

# **Decision**

- 37. Accordingly, having made the adjustments listed above, the Tribunal determined the Fair Rent of the property be re-registered at £995 (Nine Hundred and Ninety-Five Pounds) Per Month, to take effect from 27 March 2025.
- 38. 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 £1,109 (One Thousand One Hundred and Nine Pounds) Per 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 <a href="mailto:rpsouthern@justice.gov.uk">rpsouthern@justice.gov.uk</a> 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.