

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CAM/12UB/F77/2024/0609

HMCTS code : P:PAPERREMOTE

Property : 145 Coleridge Road, Cambridge,

CB₁ 3PR

Applicant (Landlord) : Dorrington Residential Limited

Respondent (Tenant) : J A Daniel

Type of application : Determination of a fair rent under

section 70 of the Rent Act 1977

Tribunal members : Peter Roberts FRICS CEnv

Date of Determination : 10 March 2025

DECISION

Description of hearing

This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper determination described above as P:PAPERREMOTE The documents that the Tribunal was referred to are in bundles from the Applicant and the Respondent. The Tribunal has noted the contents and the decision is below.

Decision

The Tribunal determined a Fair Rent of £313.50 per week effective from 10 March 2025.

Reasons

Background

- 1. The Landlord made an application dated 3 October 2024 to register the rent of the Property at £325 per week. This was stated to be exclusive of any variable Service Charge.
- 2. The Rent Officer registered a Fair Rent of £314 per week on 26 November 2024 effective from 1 December 2024. This was in lieu of the previous rent of £300 per week which was registered on 26 October 2022 and effective from 1 December 2022.
- 3. The Landlord submitted an objection dated 4 December 2024.
- 4. The Tribunal issued Directions on 30 December 2024, inviting the parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the Tribunal to consider.

The Property

- 5. The Tribunal inspected the Property on 24 February 2025.
- 6. The Property comprises a semi-detached period house of brick and tile construction providing a kitchen, lounge and sitting room at ground floor and three bedrooms together with a bathroom at first floor. There is a concrete/asbestos garage together with gardens to the front and rear. The Tenant has constructed a carport to the side of the house and a timber frame conservatory to the rear.
- 7. The carpets, curtains, kitchen units and white goods were installed by the Tenant. The Tenant has also replaced the fence panels to the rear. The Landlord has installed UPVC double glazing and central heating.
- 8. There is evidence of damp in the rear wall on the first floor which appears to be the result of overflowing guttering which is positioned slightly too close to the house such that any overflow pours over the wall exterior thereby resulting in penetrating damp.

The Law

- 9. The relevant law is set out in section 70 of the Rent Act 1977 (the Act) and The Rent Acts (Maximum Fair Rent) Order 1999 (the Order).
- 10. Section 70 (1) of The Act provides that in assessing the rent:

"regard shall be had to all the circumstances (other than personal circumstances) and in particular to—

- i. the age, character, locality and state of repair of the dwelling-house,
- ii. if any furniture is provided for use under the tenancy, the quantity, quality and condition of the furniture and
- iii. any premium, or sum in the nature of a premium, which has been or may be lawfully required or received on the grant, renewal, continuance or assignment of the tenancy."

11. Section 70 (3) of the Act provides that:

"...there shall be disregarded.

- i. any disrepair or other defect attributable to a failure by the tenant under the regulated tenancy or any predecessor in title of his to comply with any terms thereof.
- ii. any improvement carried out, otherwise than in pursuance of the terms of the tenancy, by the tenant under the regulated tenancy or any predecessor in title of his
- iii. if any furniture is provided for use under the regulated tenancy, any improvement to the furniture by the tenant under the regulated tenancy or any predecessor in title of his or, as the case may be, any deterioration in the condition of the furniture due to any ill-treatment by the tenant, any person residing or lodging with him, or any subtenant of his."
- 12. In addition, section 70 (2) of The Act requires the Tribunal to assume:
 - "that the number of persons seeking to become tenants of similar dwellinghouses in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling-houses in the locality which are available for letting on such terms."
- 13. This latter provision requires the Tribunal to assume that the demand for similar rented properties in the locality does not significantly exceed the supply of such properties for rent; in effect, if such scarcity exists, the Tribunal is to adjust the rental figure so that the fair rent is not affected by it.
- 14. 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)."
- 15. In considering scarcity under section 70 (2) the Tribunal recognised that:
 - (a) "there are considerable variations in the level of scarcity in different parts of the country and that there is no general guidance or "rule of thumb" to indicate what adjustment should be made; the Tribunal therefore considers the case on its merits.
 - (b) terms relating to rent are to be excluded. A lack of demand at a particular rent is not necessarily evidence of no scarcity; it may be evidence that the prospective tenants are not prepared to pay that particular rent."
- 16. Section 71 (1) of the Act provides that the registration of the rent takes effect from the date that the Tribunal makes its decision.
- 17. Fair rents are subject to a capping procedure under the Rent Acts (Maximum Fair Rent) Order 1999 which limits increases by a formula based on the increase in the Retail Price Index since the previous registration.
- 18. Section 72 (1) (b) of the Act provides that the registration of a rent takes effect:
 - "...if the rent is determined by the appropriate tribunal, from the date when the tribunal make their decision"

Representations – Tenant

19. The Tenant completed a Reply Form.

Representations -Landlord

- 20. The Landlord's objection was submitted by Ms Martin of Savills plc and simply stated:
 - "Please can we appeal this as below 5%."
- 21. Ms Khan of Savills plc completed a Reply Form. However, no evidence or representations were submitted to substantiate or explain the Landlord's objection.

Determination

22. In assessing the Fair Rent the Tribunal is unable to take into account the personal circumstances of the Parties. As such, the assessment of rent has no regard to the personal, financial or health circumstances of either party both of whom are considered to be hypothetical. The Tribunal has therefore had regard to hypothetical, willing parties in the open market. The ownership costs arising to the actual Landlord are therefore irrelevant to this exercise.

- 23. Having determined that the parties to the assumed transaction are hypothetical, the next step, as set out in the Spath case as referred to above, is to determine the rent which a landlord could reasonably expect to obtain for the Property in the open market if it were let today in the condition and on the terms now usual for open market lettings.
- 24. The rent currently paid and/or registered is not relevant to this exercise. As such, the Tribunal has not relied upon the previous rent in any way and has disregarded historic evidence/determinations.
- 25. The Tribunal is of the opinion that the Property would attract a rent in the region of £485 per week. However, this is before account is taken of the need to disregard the Tenant's improvements.
- 26. In this context, the Tribunal has deducted 2% to account for the car port, 10% for the addition of the conservatory, 10% for the kitchen units fit out, 5% in respect of White Goods, 5% for the addition of carpets and curtains and 5% for decoration. This reduces the rent to £330 per week.
- 27. The Tribunal also considered that there is a scarcity of supply of similar properties in the general location at the present time and therefore considers that a scarcity allowance of 5% is appropriate on this occasion.
- 28. Having fully considered all matters relevant to this case, the Tribunal therefore considers the Fair Rent to be £313.50 per week.
- 29. The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 require that the registered rent is either the capped Fair Rent, details of which are attached to this Decision, or the Fair Rent.
- 30. As set out above, the capped rent is determined by a formula that has regard to the increase in the Retail Price Index since the date of the last rent registration.
- 31. The Tribunal notes that the previous net rent detailed on the Rent Register was £300 per week effective from 1 December 2022. The calculated capped net rent as at the date of this Determination is therefore £341.50 per week.
- 32. The Fair Rent is below the Capped Net Rent. Therefore, the Fair Rent of £313.50 per week applies. The Tribunal also directs that the revised Rent takes effect from the date of this Determination.

Name: Peter Roberts FRICS CEnv Date: 10 March 2025

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).

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