



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

Case Reference : CAM/38UF/F77/2021/0008

Property : 48, Webb Crescent, Chipping Norton, OX7 5HU

Tenant : Mr S J Widdows

Landlord : Dorrington Residential Ltd

Type of Application : Determination of rent under Rent Act 1977

Tribunal Members : Judge Judith Lancaster **Chairman**
Mr Roland Thomas MRICS **Valuer Member**

Date of Decision : 6 April 2021

STATEMENT OF REASONS

DECISION

The Tribunal determined a Fair Rent of £740.00 per calendar month.

THE PREMISES:

1. Due to Covid-19, the Tribunal did not inspect the Property, but made their determination on the basis of the information provided by the Rent Officer and the parties, and information gained from internet mapping applications, and their knowledge of the local area. They also relied on the Statement of Reasons from a previous Property Tribunal relating to a rent determination, dated 22 January 2019, as the Tenant stated in his Reply Form to the Tribunal, that the Property is the same as it was in 2019.
2. The Property is situated in a residential area on the outskirts of Chipping Norton. It is an end of terrace 2-storey house, approximately 50 years old, built of brick and tile. There is no parking at the Property, but unallocated parking bays on the street, and the Property has a garage in a nearby block. The windows, doors and rainwater goods are UPVC. The front door opens directly into the living room, from which stairs rise to the first floor. Beyond the living room is a dining room off which is the kitchen. On the first floor are 3 bedrooms and a bathroom/WC. There are gardens to front and rear. There is no central heating, and water heating is via an immersion heater. Floor coverings, curtains, furniture, and white goods are all provided by the Tenant.
3. As to condition, the 2019 Statement of Reasons says that externally the Property is in fair condition. The steps down to the Property are steep and in poor condition. The dining area is rather dark due to lack of natural light. Kitchen and bathroom are dated and basic. The only heating was 2 night-storage heaters on the ground floor belonging to the Tenant.

THE TENANCY

3. The Tenancy is a statutory regulated monthly tenancy, which was transferred to the Property when the Tenant moved to it on 1 September 1993. Section 11 of the Landlord and Tenant 1985 applies in respect of the Landlord's repairing obligations.

THE APPEAL

4. The Rent Officer registered a Fair Rent of £700.00 per calendar month on 07/12/20, effective from 22/01/21, and the Landlord appealed to the Tribunal on or before 09/02/21. Neither party requested a hearing, and both parties submitted written representations.

THE LANDLORDS' CASE

5. The main points of the Landlords' case, submitted by Allsop Letting and Management, the Landlord's managing agents, ('the Managing Agents'), in a letter to the Tribunal dated, 09/02/21, may be summarised as follows;

a) the Property is located in a picturesque market town in the popular Cotswolds. It is near a number of train stations, and less than a 10-minute walk to the centre of Chipping Norton, where a wide range of amenities are available. It is a short distance from schools rated 'Good' by Ofsted. The Property and the town are surrounded by extensive countryside, ideal for a number of outdoor activities, making it a very desirable place to live;

b) detailed evidence of four properties of the same size in the same area submitted by the Managing Agents shows comparable properties are achieving between £12,000.00 per annum and £16,200.00 per annum. The Managing Agents consider the market rent for the Property, let on an Assured Shorthold Tenancy with carpets and white goods would be £14,100.00 per annum;

c) there should be a 5% deduction for scarcity, as the current demand for rented property in the area does outstrip supply. At the date of writing there were 28 comparable properties available to rent within a 10-mile radius of the Property;

d) making a 10% deduction for lack of carpets and white goods, a further 10% deduction for lack of updated kitchen/bathroom, and a 5% deduction for scarcity, an appropriate fair Rent would be £10,575.00 per annum;

e) the Managing Agents calculate a Maximum Fair Rent of £8,828.00 per annum, which is lower than £10,575.00 per annum, so this should be the new registered rent

f) the Managing Agents not aware of any failure by the Landlords to fulfil their statutory and contractual obligations as defined by the Tenancy Agreement. In the event that the Tenant has failed to report any disrepair to the Managing Agents, it is not appropriate or in accordance with section 70 of the Rent Act 1977 to make any deductions under such circumstances.

THE TENANT'S CASE

6. The main points of the Tenant's case may be summarised as follows;

a) the Property is as it was when it went to the Tribunal in 2019;

b) the Tenant has lived at the Property for 41 years and all that has changed are the windows;

c) the last energy survey in 2018/2019 said the Property has a very low energy rating with insufficient loft insulation, no cavity wall insulation and insufficient heating.

THE LAW

5. Attached to this Statement of Reasons is a resumé of the law as applied by the Tribunal. It forms an integral part of the Reasons of the Tribunal.

THE DECISION

6. The Tribunal noted the representations made by both parties.

7. The assessment of a Fair Rent starts with an assessment of the open market rent as at the date of the Tribunal's decision. Previous rents are not relevant to this assessment, or the Tribunal's decision.

8. The Tribunal considered the 4 comparable properties submitted by the managing Agents, which had rents ranging from range from £1,000.00 pcm to £1,350.00 pcm. The 2 properties which appear from the photographs to be most similar to the Property are Rowell Way, £1,150.00 pcm, which appears to be fully modernised and which has a garage and parking for 2/3 cars, and Middle Barton £1,200.00 pcm, which is undergoing refurbishment, and has off-street parking. The Managing Agents also submitted brief details of a number of other comparable properties, with asking rents ranging from£850.00 pcm to £1,450.00 pcm

9. The Tribunal noted that evidence of asking rents is not evidence of rents achieved.

10. The Tribunal also relied on the members' knowledge and experience of open market rents in the area. It is the Tribunal's view that the open market rent for a similar property, in good condition with modern facilities, floor coverings, curtains and some white goods, would be £1000.00 per calendar month. The Tribunal then made a deduction for lack of central heating, dated kitchen and bathroom fittings, and lack of floor coverings, curtains and white goods provided by the Landlord, all referred to in the 2019 Statement of Reasons, sent to both parties, together with poor insulation. It should be noted that this figure cannot be a simple arithmetical calculation but is the Tribunal's estimate of the amount by which the rent would have to be reduced to attract a tenant. A deduction of £240.00 pcm was made to reflect these items, this deduction being the Tribunal's assessment of the amount by which the rent would have to be reduced to attract a tenant.

10. As to scarcity, there is no way of knowing either the exact number of people looking for properties similar to the Property in the private sector, or the exact number of such properties available. It can only be a judgment based on the years of experience of the Tribunal, together with a consideration of the properties advertised as being to let at the time of the determination, and any representations of the parties. That experience and consideration leads the Tribunal to the judgment that there is no substantial scarcity of 'similar dwelling houses in the locality' available for letting and a deduction would not be made to reflect this. The Tribunal interpreted the "locality" for scarcity purposes as being North Oxfordshire, North Gloucestershire, and South Warwickshire ie a sufficiently large area to eliminate the effect of any localised amenity which would, in itself, tend to increase or decrease rent.

SUMMARY

Open market rent for similar property in good condition
with modern facilities

£1000.00 pcm

Less:-

Deduction for lack of central heating, modern fixtures
floor coverings, curtains and white goods

£ 240.00 pcm

Fair Rent determined by the Tribunal

£ 760.00 pcm

11. The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 must then be considered. The 'capped' rent calculated in accordance with the formula set out in the Order is £740.00 pcm. As this is less than the Fair Rent determined by the Tribunal, capping applies.

12. The Tribunal therefore determined a Fair Rent of £740.00 per calendar month.

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Judge Judith Lancaster

ANNEX - RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. 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.
4. 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.