

## FIRST - TIER TRIBUNAL PROPERTY CHAMBER RESIDENTIAL PROPERTY)

Case Reference	: CHI/00HB/F77/2021/0022
Property	: Room 8, 15 Wellington Park Bristol BS8 2UR
Landlord	: Mr A Sforza
Representative	: None
Tenant	: Mr S Ullah
Representative	: None
Type of Application	: Rent Act 1977 ("the Act") Determination by the First-Tier Tribunal of the fair rent of a property following an objection to the rent registered by the Rent Officer.
Tribunal Members	: Mr I R Perry BS. Est Man FRICS Mr M J F Donaldson FRICS MCIArb MAE Mr N Robinson FRICS
Date and Venue of Inspection	: 7 <sup>th</sup> April 2021
Date of Decision	: 7 <sup>th</sup> April 2021

# **REASONS FOR DECISION**

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#### **Summary of Decision**

On 7<sup>th</sup> April 2021 the Tribunal determined a fair rent of £515 per month with effect from 7<sup>th</sup> April 2021.

#### Background

- 1. The Landlord applied to the Rent Officer for registration of a fair rent of  $\pounds 630$  per calendar month for the above property. The application is stamped as having been received on 4<sup>th</sup> December 2020.
- 2. The rent was previously registered on the 19<sup>th</sup> May 2017 at £471.50 per month following a determination by the Rent Officer. This included £44.63 per month for fuel costs and £54.60 per month for services.
- 3. The rent was registered by the Rent Officer on the 1<sup>st</sup> February 2021 at a figure of £515 per month, effective from the same date. This includes the sum of £71.16 per month for fuel costs and £114.60 per month for services.
- 4. By a letter dated 17<sup>th</sup> February 2021 the Tenant objected to the rent determined by the Rent Officer and the matter was referred to the First Tier Tribunal Property Chamber (Residential Property) formerly a Rent Assessment Committee.
- 5. The Coronavirus pandemic and considerations of health have caused a suspension of inspections and of Tribunal hearings in person until further notice.
- 6. The Tribunal office informed the parties that the Tribunal intended to determine the rent on the basis of written representations subject to the parties requesting an oral hearing. No request was made by the parties for a hearing.
- 7. The Tribunal office also informed the parties that the Tribunal might also consider information about the property available on the internet.
- 8. The parties were invited to include photographs and video within their representations if they so wished. Representations were made which were copied to both parties.

#### Submissions

9. The property is described in the papers as a first-floor rear room and shower room with WC, all within a house with a total of six let rooms, that is a House in Multiple Occupation. The occupant also has access to a shared kitchen. The property is situated in Clifton which is a very popular area of Bristol with all main amenities within reasonable distance.

- 10. The accommodation has a heating system, is carpeted and furniture is provided. The fuel costs include gas and electric. The services include Council Tax, Insurance, Water, Cleaning Communal areas, Television Licence and provision of Broadband.
- 11. In his letter of objection to the rent the Tenant included details of his personal circumstances. The Tribunal is required to exclude these from its consideration. The Tenant has occupied the property since 21<sup>st</sup> August 1974. He referred to the age of the carpets to the Tribunal.
- 12. In his assessment of the property the Rent Officer starts with a suggested open market rent of  $\pounds$ 600 per month and then made adjustments to the rent to reflect the Tenant's liability for decoration and dated kitchen facilities.
- 13. The submission from the Landlord included evidence of comparable single rooms available to rent in the general area which were being marketed through letting agents in that area.
- 14. The Tribunal had regard to the observations and comments by the parties and also relied on its own knowledge and experience of local rental values in determining the rent.

## The Law

- 15. 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.
- 16. 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).
- 17. The Tribunal also has 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. It is the duty of the Property Tribunal to arrive at a fair rent under section 70 of

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the Act but in addition to calculate the maximum fair rent which can be registered according to the rules of the Order. 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.

#### Valuation

- 18. The Tribunal first considered whether it felt able to reasonably and fairly decide this case based on the papers submitted only, with no oral hearing. Having read and considered the papers it decided that it could do so.
- 19. In the first instance the Tribunal determined what rent the Landlord 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 an open market letting. It did this by having regard to the evidence supplied by the parties and the Tribunal's own general knowledge of market rent levels in Bristol. Having done so it concluded that such a likely market rent would be £600 per calendar month.
- 20. However, from the submissions the Tribunal concluded that the property was not let in a condition considered usual for a modern letting at a market rent. Therefore it was first necessary to adjust that hypothetical rent of £600 per calendar month.
- 21. The Tribunal decided that the rent should be adjusted by £30 per month to reflect the Tenant's liability to decoration, by £40 per month to reflect dated kitchen and shower room and £15 per month to reflect old carpets.
- 22. The Tribunal therefore considered that this required a total deduction of £85 per month so that the rent assessed is £515 per month.
- 23. The Tribunal did not consider that there was any substantial scarcity element in the Bristol area.

## Decision

- 24. Having made the adjustments indicated above the fair rent initially determined by the Tribunal for the purpose of section 70 of the Rent Act 1977 was accordingly £515 per calendar month to include fuel costs and services.
- 25. The Section 70 Fair Rent determined by the Committee is below the maximum fair rent permitted by the Rent Acts (Maximum Fair Rent) Order 1999 details of which are shown on the rear of the Decision Notice and accordingly that rent limit has no effect.

# Accordingly the sum of £515 per month will be registered as the fair rent with effect from the 7<sup>th</sup> April 2021 being the date of the Tribunal's decision.

#### **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 written application by email to <u>rpsouthern@justice.gov.uk</u> 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 day 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 day 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.