



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

Case Reference : **CAM/26UD/F77/2021/0023
P:PAPERREMOTE**

Property : **91 High Street Watton at Stone
Hertford SG14 3SZ**

Applicant : **Mrs C A Smith**

Respondent : **The Abel Smith Trust Estate**

Date of Application : **1 July 2021**

Type of Application : **Determination of the registered rent
under Section 70 Rent Act 1977**

Tribunal : **Mrs E Flint DMS FRICS**

Date and venue of hearing : **21 October 2021
remote hearing on the papers**

DECISION

The registered rent with effect from 21 October 2021 is £2040 per quarter.

This has been a hearing on the papers which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE, a paper determination which is not provisional. A face to face hearing was not held because it was not practicable and all the issues could be determined on the papers. The documents that I was referred to are in an electronic bundle, the contents of which I have recorded.

Background

1. On 8 May 2021 the landlord applied to the rent officer for registration of a fair rent of £8316 per year for the above property.
2. The registered rent at the date of the application was £1890 per quarter which had been determined by the Tribunal on 29 April 2019 with effect from the same date.
3. On 8 June 2021, the rent officer registered a fair rent of £2114 per quarter with effect from the same date.
4. On 1st July 2021 the tenant objected to the registered rent.
5. Owing to the Covid 19 restrictions the parties were asked if they would consent to the application being dealt with on the papers. Neither party objected. Written representations were received from both the landlord and the tenant.

The Evidence

6. The property is situated on a bus route and approximately half a mile from the mainline railway station. It is close to all the village amenities.
7. The house is a small two storey property comprising two rooms, kitchen and bathroom/wc on the ground floor and two bedrooms on the first floor.
8. The landlord stated that the bathroom was replaced within the last seven years together with some electrical work and external decorations.
9. The windows which are single glazed, were said to be in poor condition by the tenant resulting in condensation during cold weather. The tenant also stated that a number of electrical sockets did not work following works undertaken on behalf of the landlord.
10. The tenant had provided new oak flooring, skirting boards, insulation in the attic, a new kitchen and had damp proofed the wall, the white goods, floor covering and curtains were also the tenant's.
11. The landlord was of the opinion that the rent set by the rent officer represented a discount of approximately 50% from the market rent. It was stated that such character properties were highly sought after particularly as the village has a mainline station. Nevertheless, no comparable evidence was provided.

The Law

12. When determining a fair rent the tribunal, in accordance with section 70 of the Rent Act 1977, must have regard to all the circumstances including the age, location and state of repair of the property. It also must disregard the effect if any of any relevant tenant's improvements and 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.
13. 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:

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 to that of a regulated tenancy, and

That for the purposes of determining the market rent, assured tenancy market rents are usually appropriate comparables; adjusted as necessary to reflect any relevant differences between the comparables and the subject property.

Valuation

14. 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. As neither party provided any market evidence to support their opinions of value, the Tribunal relied on its own general knowledge of rental values in semi rural areas between Hertford and Stevenage and concluded that the likely market rent for the house would be £3600 per quarter.
15. However, it was first necessary to adjust the hypothetical rent of £3600 per quarter to allow for the differences between the terms and condition considered usual for such a letting and the condition of the actual property at the valuation date, ignoring any tenant's improvements, (disregarding the effect of any disrepair or other defect attributable to the tenant or any predecessor in title). The Tribunal noted that properties available on the open market were generally modern or modernised, centrally heated and double glazed with white goods, floor and window coverings. The Tribunal considered that these differences and the terms and conditions of the tenancy required a deduction of £1200 per quarter.
16. This leaves an adjusted market rent for the subject property of £2400 per quarter. The Tribunal was of the opinion that there was substantial scarcity in Hertfordshire for similar properties and therefore made a deduction of approximately 15% from the market rent to reflect this element. The Tribunal's uncapped fair rent is £2040 per quarter.

Decision

17. The uncapped fair rent initially determined by the Tribunal, for the purposes of section 70, was accordingly £2040 per quarter.
13. This is below the maximum fair rent that can be registered by virtue of the Rent Acts (Maximum Fair Rent) Order 1999 (Details are provided on the back of the decision form).
14. **Accordingly the sum of £2040 per quarter will be registered as the fair rent with effect from 21 July 2021 being the date of the Tribunal's decision.**

Chairman: Evelyn Flint

Dated: 21 October 2021

ANNEX - RIGHTS OF APPEAL

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.

