



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

**Case Reference** : CAM/22UF/F77/2021/0009

**Property** : 3, Taylors Farm Cottages, Witham Road, Terling,  
Chelmsford, CM3 2AJ

**Tenant** : Mr B Thorpe

**Landlord** : Lord Rayleigh's Farms 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

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**STATEMENT OF REASONS**

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**DECISION**

The Tribunal determined a Fair Rent of £855.00 per 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.

2. The Property is situated in a rural area, in between Braintree, Witham and Chelmsford, approximately 5 miles from the A12. It is an end of terrace 2-storey period cottage, which appears from the photographs sent to the Tribunal to be constructed of a mix of brick and render with a tiled roof. There appears to be a garden on 3 sides, with off-street parking.

3. The accommodation consists of 2 living rooms, a kitchen, 3 bedrooms and a bathroom/WC, with a front porch. There is no double-glazing. Drainage is via a septic tank, which the Landlord pays to have emptied. The Landlord has not provided floor coverings, curtains, furniture or white goods.

**THE TENANCY**

4. The Tenancy is a statutory regulated monthly tenancy, which commenced in 1977. Section 11 of the Landlord and Tenant 1985 applies in respect of the parties repairing obligations.

**THE APPEAL**

5. The Rent Officer registered a Maximum Fair Rent capped at £679.00 per calendar month

on 15/12/20, effective from that date, and the Landlord appealed to the Tribunal on 13/01/21. Neither party requested a hearing, and both parties submitted written representations.

### **THE LANDLORDS' CASE**

6. The main points of the Landlords' case, may be summarised as follows;

- a) the Landlord submitted written representations, together with photographs of the Property both before and after works carried out by the Landlord in 2019, but before the Tenant had re-decorated or fitted new carpets and flooring;
- b) in 2019 the Landlord undertook a complete refurbishment of the Property, including full electrical re-wire, new kitchen units and tiling, replacement of bathroom fittings, shower, bath, basin and toilet, and tiling, repairs to plasterwork, loft insulation, installation of oil-fired central heating system with external boiler, and re-roofing of lean-to;
- c) the Landlord pays for the septic tank to be emptied twice annually;
- d) the Landlord submitted details of 5 cottages as comparable evidence.

### **THE TENANT'S CASE**

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

- a) the Tenant submitted written representations together with photographs of the Property after the works had been completed in 2019;
- b) after the Landlord's works were completed the Tenant had to re-decorate the whole Property, including sanding down walls to prepare for painting, and every room had to be re-carpeted.

### **THE LAW**

8. 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**

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

10. 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.

11. The Tribunal noted the comparable properties submitted by the Landlord which had rents ranging from £1,000.00 pcm to £1,350.00 pcm.. Details provided were limited – type of tenancy, number of bedrooms, whether refurbished, type of property (terraced/semi-detached, detached), and rent. Two were stated to be un-refurbished, and the Tribunal decided these were not comparable for that reason. Of the other 3, details provided were insufficient to determine the extent to which these properties are comparable, although the most comparable appears to be 2, Taylors Farm Cottages, let under an Assured Shorthold tenancy, 3 bedrooms, refurbished, mid-terrace, and let for £1000.00 pcm, though the Tribunal were not informed when this rent had been agreed.

12. The Tribunal therefore also relied on the members' knowledge and experience of open market rents in the area, and determined that the open market rent for a similar property, in good condition with modern facilities, floor coverings, curtains and some white goods, would be £1100.00 per calendar month. The Tribunal then made a deduction for lack of carpets curtains and white goods, which are usually provided by the Landlord under an Assured Shorthold Tenancy, and for the fact that the Tenant had to totally re-decorate internally, including sanding down walls, after the works carried out by the Landlord in 2019. Under the

terms of the Tenancy Agreement, it is the Tenant's obligation to re-decorate due to wear and tear caused by the Tenant, but that this does not include the situation where the necessity to re-decorate has been caused by works done by the Landlord. It should be noted that this deduction 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 £150.00 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.

14. 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 substantial scarcity of 'similar dwelling houses in the locality' available for letting and a deduction would be made to reflect this. The Tribunal interpreted the "locality" for scarcity purposes as being mid Essex, 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	£1100.00 pcm
Less:-	
Deduction for lack of floor coverings, curtains and white goods, and condition of walls after works	£ 150.00 pcm
10% deduction for scarcity	<u>£ 95.00 pcm</u>
Fair Rent determined by the Tribunal	£ 855.00 pcm

15. The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 must then be considered. Paragraph 2(7) of the Order provides that capping does not apply if "because of a change in the condition of the dwelling-house or the common parts as a result of repairs or improvements (including the replacement of any fixture or fitting) carried out by the landlord or a superior landlord, the rent that is determined in response to an application for registration of a new rent under Part IV exceeds by at least 15% the previous rent registered or confirmed."

16. The exercise that must be carried out is to assess the amount by which the new Fair Rent (£855.00 pcm) exceeds the previous registered rent (£679.00 pcm) wholly as a result of relevant Landlord's works carried out since the last rent registration. If that amount is at least 15% of the previously registered rent (i.e. £101.85 pcm in this case) then capping will not apply.

17. The Tribunal assessed that in this case that the amount attributable to the Landlord's works, as set out above, is more than £101.85 pcm. As a result, the Order does not apply, and Fair rent calculated by the Tribunal applies.

18. The Tribunal therefore determined a Fair Rent of £855.00 per calendar month. It should be noted that the Landlord is not required to charge this amount, but cannot charge any more than this amount.

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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.

