

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

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# REASONS

# Background

- 1. On 7 August 2019 the landlord applied to the Rent Officer for registration of a fair rent of £2,070 per month for the above property.
- 2. The rent payable at the time of the application was £1,800 per month.
- 3. On 12 September 2019 the Rent Officer registered a fair rent of £1,800 per annum with effect from 11 October 2019.
- 4. By letter dated 23 September 2019, the landlord objected to the rent determined by the Rent Officer and the matter was referred to the Tribunal.
- 5. On 8 October 2019, the Tribunal issued directions setting the matter down for determination by written representations. The landlord was directed to serve any documents or evidence upon which it sought to rely by 1 November and the tenant likewise by 15 November 2019. The landlord was permitted to make a Reply by 29 November 2019. The Directions stated that the Tribunal would inspect the property after 10 am on 13 December 2019.
- 6. The Tribunal made its determination on 13 December 2019 and the landlord subsequently requested Reasons.

# Inspection

7. The Tribunal inspected the property on 13 December 2019, in the presence of Ms I Terai, the tenant's daughter. The landlord was not represented. The property comprises a 3 storey end of terrace townhouse approximately 40 years old. The property comprises 3 double bedrooms (2 with ensuite bathrooms) a single bedroom, a kitchen/diner, a main bathroom, separate WC, integral garage and small rear garden. There is also a small patio on the 3<sup>rd</sup> floor. There is central heating and double glazing. The kitchen is fitted and was installed by the landlord about 7 years ago, but the tenant supplied white goods. The tenant has carried out some improvements to the bathrooms. Harrow Fields Gardens is a quiet, attractive location between Harrow on the Hill and Sudbury Hill.

# Evidence

### The Landlord's Case

8. The landlord's case was set out in written representations to the Tribunal. The landlord described the property as a four room property with large reception in a desirable area. The property was served by local underground stations and was within close proximity of local

schools and parks. There were nearby shops, restaurants, cafés and bars. The landlord referred to 3 comparables, with agents' particulars, as follows. A property at Pickwick Place, Harrow on the Hill had been recently let at £2,250 per month. This is four bedroomed with one bathroom and driveway. At South Hill Avenue, Harrow, HA2, a fourbedroom one bathroom property was recently let at £2,200 per calendar month. At Medway Gardens, Sudbury, Wembley HAO, a fourbedroom, one bathroom property had been let at £2,200 per calendar month. The landlord submitted that a fair rent for the property was £2,070 per calendar month.

#### The Tenant's Case

9. The tenant indicated that she wished to make written representations, but none were received.

### The Law

- 10. When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, had regard to all the circumstances (other than personal circumstances) including the age, location and state of repair of the property.
- 11. In Spath Holme Ltd v Chairman of the Greater Manchester etc. Tribunal (1995) 28 HLR 107 and Curtis v London Rent Assessment Tribunal [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 - other than as to rent - to that of the regulated tenancy) and 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).

### Valuation

12. The Tribunal considered that the house at Pickwick Place was the best comparable in terms of property type and location. This property had one ensuite shower and one family bathroom, a conservatory but no garage. The Tribunal considered that had Pickwick Place had an additional ensuite bathroom and WC this would add £150 per month giving an adjusted rental value of £2,400 per month. The Tribunal considered that the garage at the subject property was counterbalanced by the conservatory at Pickwick Place. The Tribunal also considered that adjustments were required to Harrow Fields Gardens to reflect the tenants' white goods and curtains and the tenants' improvements to the bathrooms and ensuite facilities. The Tribunal considered that these

factors required a 5% adjustment or £120 per month, leaving an adjusted rent of £2,280 per month.

- 13. The Tribunal found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 20% (£456 per month) from the adjusted market rent to reflect this element.
- 14. It follows that the Tribunal found that the fair rent was £1,824 per month.
- 15. This amount was not limited by the Rent Acts (Maximum Fair Rent) Order 1999, which prescribed a higher maximum fair rent, the calculations for which were supplied with the Notice of the Tribunal's Decision.
- 16. Accordingly, the sum of £1,824 per month was determined as the fair rent with effect from 13 December 2019 being the date of the Tribunal's decision.

Mr Charles Norman FRICS 26 January 2020

### ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.
- 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.
- 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.