

Notice of the Tribunal Decision

Rent Act 1977 Schedule 11

Address of Premises

11a Court Yard, London, SE9 5PR

The Tribunal members were

Mrs Evelyn Flint DMS FRICS

Landlord

S Cutler

Tenant

Mr C Fleming

1. The fair rent is

£720

Per

month

(excluding water rates and council tax but including any amounts in paras 3&4)

2. The effective date is

30 April 2021

3. The amount for services is

not applicable

Per

4. The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is

not applicable

Per

5. The rent is not to be registered as variable.

6. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply (please see calculation overleaf).

7. Details (other than rent) where different from Rent Register entry

8. For information only:

The fair rent is not limited by the Rent Acts (Maximum Fair Rent) Order 1999, because it is below the maximum fair rent of £805.50 per month prescribed by the Order.

Chairman

Mrs Evelyn Flint
DMS FRICS

Date of decision

30 April 2021

MAXIMUM FAIR RENT CALCULATION

LATEST RPI FIGURE X

PREVIOUS RPI FIGURE Y

X Minus Y = (A)

(A) Divided by Y = (B)

First application for re-registration since 1 February 1999 YES

If yes (B) plus 1.075 = (C)

If no (B) plus 1.05 = (C)

Last registered rent* Multiplied by (C) =

*(exclusive of any variable service charge)

Rounded up to nearest 50p =

Variable service charge **NO**

If YES add amount for services

MAXIMUM FAIR RENT = Per

Explanatory Note

1. The calculation of the maximum fair rent, in accordance with the formula contained in the Order, is set out above.
2. In summary, the formula provides for the maximum fair rent to be calculated by:
 - (a) increasing the previous registered rent by the percentage change in the retail price index (the RPI) since the date of that earlier registration and
 - (b) adding a further 7.5% (if the present application was the first since 1 February 1999) or 5% (if it is a second or subsequent application since that date).

A 7.5% increase is represented, in the calculation set out above, by the addition of 1.075 to (B) and an increase of 5% is represented by the addition of 1.05 to (B).

The result is rounded up to the nearest 50 pence.
3. For the purposes of the calculation the latest RPI figure (x) is that published in the calendar month immediately before the month in which the Tribunal's fair rent determination was made.
4. The process differs where the tenancy agreement contains a variable service charge and the rent is to be registered as variable under section 71(4) of the Rent Act 1977. In such a case the

variable service charge is removed before applying the formula. When the amount determined by the application of the formula is ascertained the service charge is then added to that sum in order to produce the maximum fair rent.



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

Case Reference : **LON/00AL/F77/2021/0009
P:PAPERREMOTE**

Property : **11A Court Yard Eltham London SE9 5PR**

Applicant : **Mr C Fleming**

Respondent : **Mr S Cutler**

Date of Application : **14 August 2020**

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** : **30 April 2021
remote hearing on the papers**

DECISION

The registered rent with effect from 21 April 2021 is £335 per week.

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 a bundle, the contents of which I have recorded.

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Background

1. The landlord applied to the rent officer for registration of a fair rent of £285 per week for the above property.
2. The rent payable at the date of the application was £726.50 per month which had been registered by the rent officer on 30 April 2018 with effect from 3 June 2018.
3. On 3 August 2020, the rent officer registered a fair rent of £797 per month with effect from the same date.
4. On 14 August 2020 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 which is situated in Eltham, above commercial premises is convenient for local facilities and transport. It comprises a maisonette on the first and second floors of a three storey property. The accommodation comprises five rooms, kitchen and bathroom and wc.
7. The tenant stated that the property is in poor repair. There is a large gap by the window frame in the main bedroom which allows rain and snow to enter the room. The south side of the building is damp and the plaster is coming off the walls. There is no insulation resulting in high heating bills. The base unit below the kitchen sink is in very poor condition and the enamel is coming off the kitchen sink itself. The landlord gets the tenant to arrange those repairs which he has agreed to pay for. In addition, there have not been annual gas safety checks.
8. The maisonette was let without double glazing, central heating, carpets, curtains or white goods.
9. The landlord stated that he pays rates of £300 per year. He stated that the tenant is willing to arrange the repairs, then the landlord pays the bills. Since late 2016 the gas fires have been replaced, a replacement hot water heater installed and £6,000 spent on roof repairs.

Valuation

10. 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 comparable open market rental evidence the Tribunal relied on its own general knowledge of market rent levels in Bethnal Green and surrounding areas. Having done so, it concluded that the likely market rent for the house would be £1400 per month.
11. However, it was first necessary to adjust the hypothetical rent of £1400 per month 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, with white goods, floor and window coverings. The Tribunal considered that these differences plus poor standard of repair and the terms and conditions of the tenancy required a deduction of £500 per month.
12. This leaves an adjusted market rent for the subject property of £900 per month. The Tribunal was of the opinion that there was substantial scarcity in London for similar properties and therefore made a deduction of approximately 20% from the market rent to reflect this element. The Tribunal's uncapped fair rent is £720 per month.

Decision

13. The uncapped fair rent initially determined by the Tribunal, for the purposes of section 70, was accordingly £720 per month.
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 £720 per month will be registered as the fair rent with effect from 30 April 2021 being the date of the Tribunal's decision.**

Chairman: Evelyn Flint

Dated: 30 April 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.

