



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

**Case Reference** : **LON/00AM/F77/2022/0039**

**Property** : **167 Glyn Road  
London E5 0JT**

**Applicant** : **Ms S. Khanom (tenant)**

**Representative** : **None**

**Respondent** : **Newlon Housing Trust (landlord)**

**Representative** : **None**

**Type of Application** : **S.70 Rent Act 1977 –  
Determination of a new fair rent**

**Tribunal Members** : **Mr N. Martindale FRICS**

**Date & venue of hearing** : **4 May 2022  
10 Alfred Place, London WC1E 7LR**

**Date of Decision** : **4 May 2022**

---

**REASONS FOR DECISION**

---

**Background**

- 1 By an application dated 19 November 2022 the landlord applied to the Rent Officer for registration of a fair rent of £139.70 per week for the Property. The rent stated by the landlord, to have been payable at the time of the application was £134.20 per week.

- 2 On 26 February 2019, the Rent Officer registered a fair rent of £181.50 per week with effect from 25 January 2022. The previous registered rent was shown by the Rent Register to have been £142 per week with effect from 14 July 2014. By an email dated 1 March 2022 received by the Rent Officer, the tenant objected to the rent determined by the Rent Officer and the matter was referred to the Tribunal for a fresh determination.
- 3 Directions dated 9 March 2022 for the progression of the case were issued. The Tribunal received brief written representations from the tenant. There was no inspection owing to the ongoing restrictions on same by the Tribunal arising from the Coronavirus pandemic.

### **Property**

- 4 The Tribunal was able to view properties in Glyn Road externally, in general from Google Streetview (image capture September 2020). However the exterior of No.167 has been purposely digitally obliterated for reasons which remain unknown.
- 5 The house is in a terrace of several assumed to be similar properties with accommodation on ground first and second floors. The houses date from the late nineteenth century and are of traditional brick walls and tiled double pitched roofs. There is a small garden to the front.
- 6 From the rent register accommodation is said to be: Ground floor, living room, kitchen; first floor, bedroom and bathroom; second floor, two bedrooms. There is a rear garden. The house has full gas fired central heating. There is apparently no double glazing. There are no landlord's services nor furniture. There is on road parking.
- 7 The tenant describes the Property as having cracked walls, damp walls with mould and unsafe electrical fittings. The landlord makes no representations. Neither side provided comparable lettings to determine the market rent starting point.

### **Law**

- 8 When determining a fair rent the Committee, 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.
- 9 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 emphasized

- (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).

## **Decision**

- 10 Where the condition of a property is so much poorer than that of comparable properties, so that the rents of those comparables are towards twice that proposed rent for the subject property, it calls into question whether or not those transactions are truly comparable. Would prospective tenants of modernized properties in good order consider taking a tenancy of an unmodernised house in poor repair and with only basic facilities or are they in entirely separate lettings markets? The problem for the Tribunal is that the only evidence of value levels available to us is of modernised properties. We therefore have to use this but make appropriate discounts for the differences, rather than ignore it and determine a rent entirely based on our own knowledge and experience, whenever we can.
- 11 On the evidence of the comparable market lettings from the parties and our own general knowledge of market rent levels in this part of Hackney, the Tribunal accepts that the subject property if modernized and in good order would let on normal Assured Shorthold Tenancy (AST) terms, for £600 per week. This then, is the appropriate starting point from which to determine the rent of the property as it falls to be valued.
- 12 A normal open market letting would include carpets, curtains and "white goods", but they are absent here. There is no central heating and there appear to be some minor defects to the building. To reflect these factors, we make an allowance of £120 per week.
- 13 From a starting market rent of £600 per week, we therefore make total deductions of £120 per week, leaving the adjusted market rent at £480 per week.
- 14 The Tribunal also has to consider the element of scarcity and whether demand exceeded supply. The Tribunal found that there was a substantial scarcity in the locality of Greater London and therefore makes a further deduction of 20% from the adjusted market rent to reflect this element. This is £96 per week. The uncapped fair rent to be registered would therefore be £384 per week.

- 15 However the Tribunal is also required to calculate the Maximum Fair Rent Cap. This is determined by a formula under statutory regulation, which whilst allowing for an element of inflation may serve to prevent excessive increases. The Cap as the date of the Tribunal's determination is £186.62, rounded up to 187 per week.
- 16 As this Cap is lower than the uncapped rent, the fair rent determined by the Tribunal for the purposes of S.70, remains at £187 per week. This new rent will take effect from and including the date of determination, 4 May 2022. The landlord is not bound to charge this rent and may levy any sum provided it is at or lower than this figure.

**Name: N. Martindale FRICS Date: 4 May 2022**

### **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).