



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

Case Reference : **LON/00BD/F77/2022/0066**

Property : **21 Victoria Road Mortlake London
SW14 8EX**

Applicant : **Mr B. Fryer (Tenant)**

Representative : **None**

Respondent : **Bradford Property Trust Ltd
(Landlord)**

Representative : **Grainger Plc**

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

Tribunal Member : **Mr N Martindale FRICS**

**Date and venue of
Meeting** : **29 June 2022
10 Alfred Place, London WC1E 7LR**

Date of Decision : **29 June 2022**

REASONS FOR DECISION

Background

- 1 The landlord applied to the Rent Officer for registration of a fair rent. The rent registered as already payable at the time of the application was £330 pw, capped, with effect from 1 March 2020.
- 2 In response the Rent Officer registered a fair rent of £300 pw with effect from 4 April 2022. There were no service charges. Subsequently a party objected and sought a re-hearing of the application by the Tribunal.

Inspection

- 3 The Tribunal did not inspect the Property owing to the restrictions imposed and arising from Covid 19. The Property appears from Google Streetview (@January 2022), to be part of a short terrace of late C19th housing, set on two levels. The roof is double pitched over brick walls. The windows appear to be double hung timber sashes. Front elevation appears in fair condition. There is a small rear garden but no driveway or garage. There was no additional information on the interior save that full gas central heating was provided by the landlord, no double glazing.
- 4 The property comprised 4 rooms, kitchen, bathroom, WC. The Tribunal made the assumption common in older established tenancies such as this one, that there were no carpets or curtains, or white goods nor specifically double glazing, included in the letting by the landlord.
- 5 The tenant did not report to the Tribunal any improvements which they had carried out or any items of disrepair which the landlord had not.

Evidence

- 6 Directions, for the progression of the case were issued. The Tribunal received brief representations. Neither party requested a hearing. The case was determined only on the papers.

Law

- 7 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.
- 8 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

9. The condition of a property is inferior of 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.
10. On the evidence of the tribunal's general knowledge of market rent levels in this location, the subject property if modernized and in good order would let on normal Assured Shorthold Tenancy (AST) terms, for £450 pcm.
11. The Tribunal makes allowance for the absence of carpet and curtains, for the lack of white goods and absence of double glazed windows. These adjustments total a £65 deduction, producing a market rent of £385 pw, prior to considering scarcity.
12. 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 deduction results in an uncapped rent of £305 pw.
13. The Tribunal is also required to calculate the Maximum Fair Rent Cap (MFRCap) which serves to limit the extent of increase in a fair rent on review. The cap 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 produces a figure of £393.86 pw. This figure is a combination of the previously registered rent being subject to the change in RPI between registration dates rounded up to the nearest 50p ie £394 pw. There is no service charge element. In this case the cap did apply according to the MFRCap regulations.
14. As the cap does not apply as it exceeds the new fair rent. The fair rent is £305 pw takes effect from and including the date of determination, 29 June 2022.

Chairman N Martindale

Dated 15 August 2022