		FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)
Case Reference	:	LON/00BJ/F77/2022/0122 P:PAPERREMOTE
Property	:	Flat A 26 Ramsden Road Balham SW12 8QY
Applicant	:	Mr J and Mrs D Burland
Respondent	:	Wandle Housing Association
Date of Application	:	6 July 2022
Type of Application	:	Determination of the registered rent under Section 70 Rent Act 1977
Tribunal	:	Mrs E Flint FRICS Mrs S Redmond
Date and venue of the Hearing	:	20 September 2022 remote hearing on the papers

DECISION

This has been a remote hearing on the papers which has been consented to by the Applicant and not objected to by the Respondent. A face to face hearing was not held because it was not practicable, no-one requested the same, and all the issues could be determined on the papers. The documents that we were referred to were in a paper bundle, the contents of which I have recorded.

The registered rent with effect from 20 September 2022 is £288.50 per week.

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Background

- 1. On 27 April 2022 the landlord applied to the rent officer for registration of a fair rent of £261.20 per week for the above property.
- 2. The registered rent at the date of the application was £200 per week which had been registered by the rent officer on 12 December 2012 with effect from the same date.
- 3. On 9 June 2022, the rent officer registered a fair rent of £281.50 per week with effect from the same date.
- 4. On 6 July 2022 the tenant objected to the registered rent.
- 5. No written representations were received from either the landlord or the tenant.

The Evidence

6. The tenant objected to the registered rent on the grounds that it was not affordable.

The Law

- 7. When determining a fair rent the tribunal, in accordance with section 70 of the Rent Act 1977, must have regard to all the circumstances including the age, location and state of repair of the property. It also must disregard the effect if any of any relevant tenant's improvements and the effect of any disrepair or any other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the property. The Tribunal is unable to take into account the tenant's personal circumstances when assessing the fair rent.
- 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 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 to that of a regulated tenancy, and

That for the purposes of determining the market rent, assured tenancy market rents are usually appropriate comparables; adjusted as necessary to reflect any relevant differences between the comparables and the subject property.

Valuation

- 9. 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 and on the terms that is considered usual for such an open market letting. The Tribunal relied on the evidence of the landlord and its own general knowledge of rental values in Balham and concluded that the likely market rent for the property would be £690 per week.
- 10. However, it was first necessary to adjust the hypothetical rent of £690 per week 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 modern or modernised, with white goods, floor and window coverings, The Tribunal determined that a deduction of £140 per week should be made to reflect these matters.
- 11. This leaves an adjusted market rent for the subject property of £550 per month. The Tribunal was of the opinion that there was substantial scarcity in Greater London for similar properties and therefore made a deduction of 20% from the adjusted market rent to reflect this element. The Tribunal's uncapped fair rent is £440 per week.

Decision

- 12. The uncapped fair rent initially determined by the Tribunal, for the purposes of section 70, was accordingly £440 per week. However, the rent is limited to the maximum fair rent of £288.50 per week under the Rent Acts (Maximum Fair Rent) Order 1999.
- 14. Accordingly, the sum of £288.50 per week will be registered as the fair rent with effect from 20 September 2022 being the date of the Tribunal's decision. As the landlord is a Housing Association the registered rent may be more than the amount that the landlord is actually charging or proposing to charge.

Chairman: Evelyn Flint

Dated: 20 September 2022

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.