

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : LON/00BJ/F77/2022/0199

P:PAPERREMOTE

Property : 44 Kenlor Road London SW17 oDF 1LR

Applicant : Mrs Kim Foley

Respondent : Grainger Bradley Limited

Date of Application : 7 September 2022

Type of Application : Determination of the registered rent under

Section 70 Rent Act 1977

Tribunal : Mrs E Flint FRICS

Mr J Francis QPM

Date and venue of :

Hearing

22 February 2023

10 Alfred Place London WC1E 7LR

DECISION

This has been a hearing on the papers which has been consented to by the parties. A face to face hearing was not held because it was not practicable, no-one requested the same. The documents that we were referred to were in an electronic bundle the contents of which we have recorded.

The registered rent with effect from 22 February 2023 is £250 per week.

Background

- 1. On 28 June 2022 the landlord applied to the rent officer for registration of a fair rent of £1206.40 per month for the above property.
- 2. The registered rent at the date of the application was £240 per week which had been registered by the rent officer on 18 September 2020 with effect from the same date.
- 3. On 17 August 2022, the rent officer registered a fair rent of £284 per week with effect from 18 September 2022.
- 4. On September 2022 the tenant objected to the registered rent.
- 5. The tribunal issued Directions on 29 September 2022. The tenant submitted details of her improvements. No written representations were received either from or on behalf of the landlord.

The Inspection

- 6. The tribunal inspected the property on the morning of 22 February 2023 in the presence of the tenant. The property is an end terrace house in a residential street of similar properties close to bus stops, Tooting Broadway underground station and local shops.
- 7. The accommodation comprises a living room and kitchen/diner on the ground floor two double and a single bedroom and shower/wc on the first floor. French windows in the dining area lead into the rear garden bounded by a close boarded fence supplied by the tenant.
- 8. The tenant has modernised the entire house to a good standard: including installing double glazed windows and central heating, merging the rear room with the kitchenette to provide a kitchen/diner, fitted kitchen units with appliances, shower, wash basin and wc, boarded out part of the loft, replaced the loft hatch and provided a loft ladder. The original external wc has been demolished.

The Law

9. 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 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.

10. 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

- 11. 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 its own general knowledge of rental values in Tooting and concluded that the likely market rent for the property would be £520 per week.
- 12. However, it was first necessary to adjust the hypothetical rent of £520 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 determined that the hypothetical rent should be reduced by £208 to reflect the difference in the terms of the tenancy, no heating, external wc, no wash basin, dated kitchenette and bath, and the lack of carpets, curtains and white goods which are usually provided on the open market.
- 13. This leaves an adjusted market rent for the subject property of £312 per week. The tribunal was of the opinion that there was substantial scarcity in Greater London for similar properties and therefore made a deduction of approximately 20% from the adjusted market rent to reflect this element. The tribunal's uncapped fair rent is £250 per week.

Decision

14. The uncapped fair rent initially determined by the tribunal, for the purposes of section 70, was accordingly £250 per week. This is below the maximum fair rent of £306 per week calculated under the Rent Acts (Maximum Fair Rent) Order 1999.

19. Accordingly, the sum of £250 per week will be registered as the fair rent with effect from 22 February 2023 being the date of the tribunal's decision.

Chairman: Evelyn Flint Dated: 23 February 2023

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.