

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00AW/F77/2023/0216**
Property	**:**	**6 Ovington Street, London, SW3 2JB**
Applicant	**:**	**Mr R I B Brooks**
Representatives	**:**	**None**
Respondent	**:**	**Northumberland & Durham Property Trust Ltd**
Representative	**:**	**None**
Type of Application	**:**	**Determination of a fair rent under section 70 of the Rent Act 1977**
Tribunal Members	**:**	**Mr Charles Norman FRICS (Valuer Chairman)** **Ms Marina Krisko FRICS**
Date of Decision		**11 September 2023**
Date of reasons	**:**	**12 January 2024**

REASONS

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Background

1. On 18 May 2023, the landlord applied to the Rent Officer for registration of a fair rent of £7920 per quarter for the above property.

2. The rent payable at the time of the application was £6,600 per quarter. The tenancy commenced on 19 March 1973.

3. On 28 June 2023, the rent officer registered a fair rent of £6760 per quarter with effect from 4 August 2023.

4. By letter, the landlord objected to the rent determined by the Rent Officer and the matter was referred to the Tribunal.

5. On 21 July 2023, the Tribunal issued directions and a Reply Form to the parties. The landlord was directed to provide details of the property comparables and any other comments by 4 August 2023. The tenant was directed to do likewise by 18 August 2023. The landlord was permitted to serve a Reply by 25 August 2023. Neither party requested a hearing or inspection.

6. On 11 September 2023, the Tribunal found that the fair rent was £7140 per quarter and issued a Notice of Decision with effect from that date. Subsequently, the landlord requested reasons.

The Landlord's Case

7. The landlord did not respond to the appeal.

The Tenant's Case

8. The tenant did not respond to the appeal.

The Property

The Tribunal has relied on the rent register and Google maps. It finds that the property is a fine mid terraced town house in Knightsbridge on lower ground, ground first and second floors. The property has a stucco portico and comprises 1 room kitchen and WC in the basement, 1 double reception room on the ground floor, 1 room and bath/WC on the first floor and 2 rooms and bath/WC on the second floor. There is a rear garden.

The rent register records tenants' improvements as "the second floor, basement WC , relocated bathroom to first floor and central heating."

The Law

9. When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, had regard to all the circumstances (other than

personal circumstances) including the age, location and state of repair of the property.

10. In addition, by section 70 (3)

> "there shall be disregarded … (b) any improvement carried …out by the tenant"

11. In *Spath Holme Ltd v Chairman of the Greater Manchester etc. Tribunal* (1995) 28 HLR 107 and *Curtis v London Rent Assessment Tribunal* [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 - other than as to rent - to that of the regulated tenancy) and 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).

12. In addition, the Tribunal is required to take into account the Rent Acts (Maximum Fair Rent) Order 1999.

Findings

13. The Tribunal first 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. It did this by having regard to the evidence provided by the rent officer and its own knowledge of rents in Knightsbridge. In view of the tenant's construction of the second floor, it disregarded that improvement. Therefore the Tribunal found that this rent was £3500 per quarter.

14. The Tribunal then found that an adjustment of 10% was required to reflect the installation of central heating by the tenant. The Tribunal also inferred that the tenant had provided white goods carpets and window curtains. The Tribunal assessed these as requiring a downward adjustment of 5% These adjustments therefore aggregated to 15% or £525 per month, leaving an adjusted rent of £2,975.00 per month.

15. The Tribunal found that there was substantial scarcity in the locality of Greater London and therefore made a deduction of 20% (£595.00 per month) from the adjusted market rent to reflect this element.

16. The uncapped fair rent determined by the Tribunal, for the purposes of section 70, was accordingly £2,380.00 per calendar month which equates to £7,140 per quarter. .

17. This rent was unaffected by the Rent Acts (Maximum Fair Rent) Order 1999 as it was below the maximum fair rent of £8414.50 per quarter. (Details are provided on the back of the decision form).

18. Accordingly the sum of £7140 per quarter was registered as the fair rent with effect from 11 September 2023 being the date of the Tribunal's decision.

Name: Charles Norman FRICS **Date:** 12 January 2024

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.

- If a party wishes to appeal against 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.