



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

Case reference : **LON/00BK/F77/2023/0047**

Property : **Flat A 46 Alexander Park Road**

Landlord : **Regis Group PLC**

Tenant : **Mr Philip Gillespie**

Type of Application : **Rent Act 1977**

The Tribunal : **Judge H Carr
Mrs A Flynn MRICS**

Date of determination : **24th January 2024**

Date of full reasons : **29th January 2024**

FULL REASONS

Decision

1. The fair rent determined by the Tribunal is £204 per week.
2. The effective date is 24th January 2024.

Background

3. The property is a self-contained converted flat without central heating comprising 3 rooms, a bathroom/WC and a kitchen.
4. The rent was previously registered on 20th August 2021 (effective from 9th September 2021) at £200 per week.

The landlord applied to the Rent Officer for a fresh registration of the rent on 15th August 2023 and a rent of £250 per week, was registered on 25th September 2023 effective from that date. The landlord had in its application suggested a rent of £250 per week.

5. The tenant appealed against the rent registration on 11th October 2023 . The basis for the appeal was that the 25% increase in rent was unjustified.
6. The tenant requested a hearing. He attended the hearing along with his wife. The landlord did not appear.

The Hearing

7. The landlord provided no evidence.
8. Mr Gillespie gave evidence as follows:
 - a. The property was virtually a shell at the commencement of the tenancy.
 - b. There is no central heating.
 - c. The tenant installed a kitchen to the property which entailed levelling the floor in addition to fitting all units.
 - d. The bathroom is more than 15 years old.
 - e. There are insufficient electric sockets for contemporary usage in the property, with no more than two sockets per room.
 - f. The tenant has provided carpets, curtains and white goods.
 - g. The gardens at front and back of the property are maintained by the tenant to a high standard.

Inspection

9. The Tribunal did not inspect the property. The tenant did not request an inspection and the Tribunal did not consider it was necessary as the tenant had fully outlined the condition of the property.

The law

10. When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70:
- (1) has regard to all the circumstances (other than personal circumstances) including the age, location and state of repair of the property;
 - (2) disregards the effect on the rental value of the property of (a) any relevant tenant improvements and (b) any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy;
 - (3) assumes (as required by s.70(2)) that, whatever might be the case, the demand for similar rented properties in the locality does not significantly exceed the supply of such properties for rent. In other words that the effect of any such 'scarcity' on rental values is not reflected in the fair rent of the subject property.
11. 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 section 70 means
- (a) that ordinarily a fair rent is the market rent for the subject property discounted for 'scarcity' 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).
- Thus once the market rent for the property has been determined by the exercise in (2) above that rent must be adjusted, where necessary, for any scarcity.
12. The Rent Acts (Maximum Fair Rent) Order 1999 (SI 1999/6) is applicable.

Determination

13. The Tribunal determined, having regard to comparable properties available for letting at market rents in the area, that the open market rent for the property in good condition was £425 per week.

14. It considered that deductions of 40% (£ 170) should be made for the lack of double glazing, central heating, unmodernised bathroom lack of white goods and carpeting. This 40% deduction also takes into account work undertaken at the tenant's expense in relation to the kitchen.
15. The Tribunal also determined that there was scarcity in the area and made a further deduction of 20% (£ 51).
16. This gave an overall deduction £221 from the open market rent to arrive at a rounded fair rent of £204 per week