

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

| Case Reference | : | LON/ooBE/F77/2024/0012. |
| :---: | :---: | :---: |
| Property | : | 12 Kapuvar Close, London SE15 4SH. |
| Tenant | : | Mr. Raymond Zaub. |
| Landlord | : | Ramal Investments Corpn. Ltd. |
| Date of Objection | : | 5 December 2023. |
| Type of Application | : | Section 70, Rent Act 1977 |
| Tribunal | : | Valuer Chair, Aileen Hamilton-Farey. |
| Date of Summary <br> Reasons | : | 14 March 2024 |

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## DECISION

The sum of $£ 986.00$ per calendar month will be registered as the fair rent with effect from 14 March 2024 being the date the Tribunal made the Decision.

## REASONS FOR THE DECISION

## Background

1. Following an objection from the Tenant to the determination of a fair rent by the Rent Officer, the Tribunal has made a determination under the provisions of the Rent Act 1977.

## Inspection

2. Tribunal did not inspect the property but considered this case on the basis of the papers provided by the parties.

## Evidence

3. The Tribunal has consideration of the written submissions provided by the Landlord. There were no written submissions from the tenant.

## The Application

4. By an RR1 dated 13 September 2023 the landlord sought an increase in the rent. At the time of the application the registered rent was $£ 767.50$ per calendar month (although $£ 735.00$ was payable by agreement between the parties).
5. On 6 November 2023 the Rent Officer Service registered a new rent at $£ 975.00$ per calendar month with effect from the same date. At that time the Rent Officer considered the market rent at $£ 1,300$.oo per calendar month, less deductions for only partial white goods and terms of the tenancy, plus scarcity, arriving at the £975.00. The Rent Officer did not 'cap' the rent in accordance with the Maximum Fair Rent Order presumably because the $£ 975.00$ was either the same as, or less than the figure obtained by the application of the MFR.
6. By an email dated 5 December 2023, the tenant objected to the rent set and the matter was referred to this tribunal.
7. The tribunal issued directions on 5 December 2023 that requested the parties provide details of any comparable properties that they wished the tribunal to consider, and any other details of the property that should be taken into consideration. During the consultation with the Rent Officer the tenant said that although the landlord had produced a schedule of services provided to the tenant, these were not provided, and the tenant had carried out the cleaning himself. The parties should be aware (and as has been noted on previous registrations), that they must agree to the inclusion of services in the tenancy agreement and amend that agreement so that it reflects their agreement. Without that agreement, the tribunal is unable to take any service costs into consideration and therefore they do not form part of the Fair Rent and cannot be recovered from the tenant.
8. The landlord provided evidence in the form of photographs and a floor plan of the subject property, together with evidence of other lettings in the block. In addition, Kinleigh Folkard and Hayward, agents, suggested that the
rent passing for the property would have been $£ 1,350.00$ in September 2023 when the application was made.
9. This tribunal considers that the rents in this locality have risen since that time, and other market evidence suggests current letting rates for fully refurbished properties between $£ 2,000$ and $£ 1,350$.00. These rents reflect one-bedroomed properties, whereas the subject has a bedroom and living room as well as kitchen, bathroom and outside space. In the circumstances the tribunal considers that if this property were to come to the market today a rent of $£ 1,450$. oo per calendar month would be payable by a willing tenant. Deductions of $15 \%$ have been made from that amount to reflect the different terms of the subject tenancy and an assured shorthold, and a further $20 \%$ to reflect the 'scarcity' element of the Rent Act 1977. The calculations for the Fair Rent are detailed below.

## Determination and Valuation

10. Having consideration of the submissions by the landlord, and our own expert, general knowledge of rental values in the area, we consider that the open market rent for the property in good tenantable condition would be in the region of $£ 1,450.00$ per calendar month. From this level of rent we have made adjustments in relation to:

- The different terms of the tenancy between a market rent (assured shorthold tenancies), and the fair rent.
- Lack of recent modernisation and partial white goods.

11. The Tribunal has also made an adjustment for scarcity.
12. The full valuation is shown below:

Market Rent
per calendar month
£1,450.00
Less
Terms of tenancy and lack of recent
Modernisation approx. 15\%
(£217.50)
£1,232.50
Less
Scarcity
approx. 20\%
(£246.50)
$£ 986.00$
13. The Tribunal determines a rent of $£ 986.00$ per calendar month as the Fair Rent for the property. The tribunal then carried out the rental calculation using the Maximum Fair Rent Order, a copy of which is appended to the decision. By applying the MFR the tribunal determined that the maximum rent payable under this tenancy would be $£ 1,024.00$ per calendar month, as
this is higher than the Fair Rent above, the lower amount becomes the Fair Rent with effect from today's date.

## Decision

14. The uncapped fair rent determined by the Tribunal, for the purposes of section 70 , was $£ 986.00$. The capped rent for the property according to the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 is calculated at $£ 1,024.00$ per calendar month. The calculation of the capped rent is shown on the decision form. In this case the lower rent of $£ 986.00$ is to be registered as the fair rent or this property.

## Chairman: Aileen Hamilton-Farey Date: 14 March 2024.

## APPEAL PROVISIONS

These summary reasons are provided to give the parties an indication as to how the Tribunal made its decision. If either party wishes to appeal this decision, they should first make a request for full reasons and the details of how to appeal will be set out in the full reasons. Any request for full reasons should be made within a month. Any subsequent application for permission to appeal should be made on Form RP PTA

