



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

Case Reference : **LON/00AE/F77/2024/0022.**

Property : **Flat A, 2 Minet Avenue, Harlesden, London
NW10. 8AH.**

Tenant : **Ma. A. A. Allen**

Landlord : **Network Homes**

Date of Objection : **22 November 2023.**

Type of Application : **Section 70, Rent Act 1977**

Tribunal : **Valuer Chair, Aileen Hamilton-Farey.**

**Date of Summary
Reasons** : **2 April 2024**

DECISION

The sum of £210.50 per week will be registered as the maximum fair rent with effect from 2 April 2024 being the date the Tribunal made the Decision.

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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 based on the papers provided by the parties.

Evidence

3. The Tribunal has considered the written submissions provided by the Tenant in that the rent registered by the Rent Officer was too high, that previously she had been subjected to rent increases of £1-£2 per week and that she had already had an increase in February 2023. The landlord's response was that the tenant had not had a rent increase in either 2017, 2020 or 2021. The landlord also said that, in line with Government guidelines the rent increase had been 'capped' at 7%, and that this had been applied in the first year and a second increase of 7% would be applied in the second year (presumably subject to the level of CPI in September 2024).

The Application

4. By an RR1 dated 10 October 2023 the landlord sought an increase in the rent. At the time of the application the maximum registered rent was £166.50 per week, following a registration on 4 November 2021. It appears however that the rent being charged to the tenant at the time of this new registration was £129.74, and it is this figure that the landlords have applied their 7% increase to – making a total of £138.24 per week.

5. Within the RR1 the landlord sought an increase to £147.90 per week (this is the figure that would be effective, assuming that any rent increase is again capped at 7% in 2024/5).

6. On 10 November 2023, the Rent Officer registered a rent of £209.00 per week, and it is this figure that is objected to by the tenant in her application of 22 November 2023.

7. The matter was referred to this tribunal for a final determination.

8. The tribunal issued directions on 30 January 2024 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. Neither party provided any evidence of other properties they wished the tribunal to consider.

9. The difficulty faced by tenants of registered providers is that both the Rent Officer and this Tribunal can only set a maximum fair rent for a property, as in this case. Frequently the landlord does not charge the maximum rent, either because of policy decisions, or Government intervention. In addition, the tribunal must apply the Maximum Fair Rent calculation to the registered rent in existence when the application for re-registration is made. This means that, in this instance the fair rent had been registered at £166.50, while the landlord was charging £129.74., but the tribunal must apply the MFR calculation to £166.50.

10. In addition, the tribunal must consider what the market rent for the property would be, if let on the open market, and then make adjustments from that figure to take into consideration the differences between the open market tenancy and a secure tenancy, and also make an allowance for what is known as 'scarcity', the imbalance in the supply and demand for property in a wide area. In this instance the tribunal considers that Greater London provides a sufficiently wide area.

11. Taking the subject property then, the tribunal considers that an appropriate market rent would be £450.00 per week.

12. First of all the tribunal adjusted the market rent to reflect the terms of the tenancy, the lack of carpet, curtains, white goods and lack of modernisation that would be found in an open market letting, and deducted an amount of 15%.

12. The tribunal then had to consider the deduction of 'scarcity' as required under the Rent Act 1977, and in this instance deducted 20% to reflect the fact that there is an imbalance in the supply and demand for property in the wide area of Greater London. The calculation of the rent achieved is set out below.

Determination and Valuation

13.

Market Rent		per week £ 450.00
<i>Less</i>		
Terms of tenancy and lack of recent Modernisation approx. 15%		(£ 67.50)
		<u>£ 382.50</u>
<i>Less</i>		
Scarcity	approx. 20%	(£ 76.50)
	Adjusted market rent:	£306.00

14. The Tribunal determines that the fully adjusted market rent (the fair rent) for the subject property would be £306.00 per week. However, the tribunal must then carry out the calculation using the Maximum Fair Rent Order, a copy of that valuation is attached to the decision. The application of the MFR produced a rental of **£210.50 per week**. The legislation requires the tribunal to register the lower of the rents produced, and therefore registers as the Maximum Fair Rent **£210.50 per week**. As noted above, this is the maximum figure that the landlord can charge until the rent is re-registered but may not be the rent actually charged by the landlord.

Decision

15. The tribunal registers the Fair Rent for the subject property at £210.50 per week with effect from 2 April 2024. This figure is inclusive of service charge.

Chairman: Aileen Hamilton-Farey Date: 2 April 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

