



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

Case Reference : **LON/00AW/F77/2024/0043.**

Property : **1 Walter House, Worlds End Passage,
London SW10 0EX.**

Tenant : **Mrs. J. Melton.**

Landlord : **Southern Housing Group.**

Date of Objection : **13 December 2023.**

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

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

**Date of
Reasons** : **3 April 2024**

DECISION

The sum of £215.39 per week will be registered as the maximum fair rent with effect from 3 April 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 determined the rent 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 submissions provided by the Tenant and rent officer. No representations were made on the part of the landlord.

The Application

4. By an RR1 dated 12 October 2023 the landlord sought an increase in the rent. At the time of the application the maximum registered rent was £137.32 per week, (including a service charge of £1.32). It appears that the rent had not been re-registered, and therefore increased since 9 December 2015. The landlords sought an increase to £188.87 per week inclusive of service charge of £11.27 per week.

5. On 29 November 2023, the Rent Officer registered a rent of £214.27 per week inclusive of a £11.27 per week service charge. The tenant objected to this increase.

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

8. The tribunal issued directions on 8 February 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 tribunal must start the MFR calculation with the existing rent of £136.32 even if the landlord is charging less than this.

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 £438.46.

12. First of all the tribunal adjusted the market rent to reflect the terms of the tenancy by deducting 5%, and then the lack of carpet, curtains, white goods and lack of modernisation that would be found in an open market letting and deducted a further 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 (using monthly figures and then adjust to weekly)

13.

Market Rent		per month £1,900.00
<i>Less</i>		
Terms of tenancy (5%)		<u>(£ 95.00)</u>
		£1,805.00
Modernisation approx. 15%		<u>(£270.75)</u>
		<u>£1,534.25</u>
<i>Less</i>		
Scarcity	approx. 20%	<u>(£ 306.85)</u>
	Adjusted market rent:	£1,227.40
Equating to:		£ 283.25)

14. The Tribunal determines that the fully adjusted market rent (the fair rent) for the subject property would be £283.25 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 **£215.39 per week**. The legislation requires the tribunal to register the lower of the rents produced, and therefore registers as the Maximum Fair Rent **£215.39 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 £215.39 per week with effect from 3 April 2024. This figure is inclusive of service charge.

Chairman: Aileen Hamilton-Farey Date: 3 April 2024.