



FIRST-TIER TRIBUNAL

**PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **LON/00BK/F77/2024/0029**

Hearing Type : **By Way of Written Representations**

Property : **26 Charing Cross Mansions, 26 Charing Cross Road, London, WC2H 0DG**

Applicant : **Ms A Jenner**

Respondent : **Gascoigne Holdings Limited**

Type of Application : **Referral of a Registration of Fair Rent under the Rent Act 1977**

Tribunal Member : **Mr J A Naylor FRICS, FIRPM
Valuer Chairman**

Date of Decision : **9 April 2024**

REASONS

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Background

1. On 11 September 2023 the landlord sent an RR1 application for rent registration of a fair rent to the Rent Officer. The previous rent was determined by the Rent Officer on 18 November 2021 at £12,142.50 per annum.
2. On 7th November 2023 the Rent Officer registered a fair rent of £14,976 per month effective from 18 November 2023.
3. By a letter dated 7 November 2023, the Valuation Office referred the matter to the Tribunal for the determination of a fair rent.
4. On 8 February 2024, the Tribunal issued directions to the parties requiring them to produce any evidence on which they wish to rely in support of their respective cases including by use of a reply form. The matter was set down for determination on the papers unless either party requested a hearing which neither did. The landlord was directed to return the reply form with any documents upon which it wished to rely by 21 February 2024. The tenant was directed to do likewise by 6 March 2024 with the landlord given further opportunity to respond by 13 March 2024.
5. Both parties took the opportunity to make submissions. In a letter dated 20 November 2023 the tenant objected to the Valuation Officer's registration.
6. In consideration of the fair rental value of the subject property, the Tribunal has taken into consideration all documentation before it including various letters and the reply forms returned by the parties.
7. In a letter dated 20 November 2023 the tenant maintains that the assessment of the property by the Valuation Officer has been made on the wrong basis.
8. In particular, the tenant points out that the assessment is on the same basis as the assessment of numbers 12, 23 and 43 Charing Cross Mansions but advises that these are on the north side of the property and do have kitchen/diners whereas her flat is smaller and only has a kitchenette.

9. The tenant points to the fact that the landlord has described the flat as having a kitchen/diner, however, the tenant also points out and it is noted , that in the rent registration document the Valuation Officer has referred to the subject property as having a kitchenette. The tenant also advises that the property does not have central heating.
10. In the landlord's reply, the landlord emphasises the location of the property and in particular its proximity to Leicester Square and Covent Garden.
11. The landlord states that similar properties in the building rent for £33,000 per annum but provides no documentary evidence to corroborate this. Neither does the landlord provide sufficient details of these similar properties to enable comparison with the subject property to take place.
12. It is noted that the rent includes the following services: cleaning and lighting of common parts, a door entry system, TV aerial, refuse disposal, a night-time security guard and broadband.
13. The landlord submitted that these services now cost £5,440 per annum.
14. It is noted that the tenant is responsible for repair and maintenance as detailed within Section 11 of the Landlord & Tenant Act 1985.
15. On 8 April 2024, on the basis of paper and without a hearing, the Tribunal determined the fair rent of the above property at £14,300 per annum.

The Law

16. When determining a fair rent the Tribunal in accordance with the Rent Act 1988 Section 70, had regard to all the circumstances (other than personal circumstances) including the age, location and state of repair of the property. Section 70 is set out in the Appendix below.
17. In *Spathholme Limited vs Chairman of the Greater Manchester, etc. Tribunal* (1995) 24HLR 107 and *Curtis vs London Rent Assessment Tribunal* (1999) QB92 the Court of Appeal emphasised that ordinarily a fair rent is the market rent for the property discounted for "scarcity" (i.e. that element of 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 purpose of determining 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).

The Property

18. From Google Maps and information included on the rent register as well as information provided by the parties, the Tribunal found as follows: The property comprises a mansion flat typical of the period. It is located on the third floor above commercial premises. Built circa 1900 the property is constructed of brick under a pitched roof.

From the rent register the flat is understood to comprise a lounge, two bedrooms, kitchenette and bathroom/WC.

The flat is in a busy and popular location within central London well placed for transport and shopping facilities.

Valuation

19. From *Spathholme Limited vs Chairman of the Greater Manchester etc. Tribunal*, other registered rents are not relevant as a starting point because they are not market rents.
20. The Tribunal must first determine the market rent for the property of this size, in this location and in its current condition. It must also disregard the personal circumstances of either party. The Tribunal notes that the Rent Officer adopted a starting point of £31,200 per annum. Using its own general knowledge of the Greater London property market, the Tribunal disagrees with the Rent Officer and considers that the market rent for the property of this size and in this location, in good condition, with the usual white goods, carpets and decorated to a good condition would be £32,500 per annum. However, all white goods, carpets and curtains are presumed to be the property of the tenant. In addition, a tenant of a Rent Act property has more onerous repairing obligations than those under an assured shorthold tenancy.
21. The Tribunal therefore made the following deductions from the market rent of £32,500 per annum to reflect those differences:

Market rent £32,500pa

Less deductions for:

- Tenant's decorative and repairing liability
- No white goods
- No floor coverings
- No central heating
- Small kitchen
- Dated bathroom

Less 45% =
£14,625pa

Adjusted rent
£17,875pa

22. The Tribunal found that there was substantial scarcity in the locality of Greater London, having taken judicial notice of long housing association and local authority waiting lists in Greater London. It therefore made a deduction in respect of scarcity of 20% (£3,575 per annum) from the adjusted market rent to reflect this element. This left a final rental figure of £14,300 per annum.
23. The Tribunal is then required to apply the Rent Act (Maximum Fair Rent) Order 1999. The calculation was included on the decision sheet and produced a maximum fair rent of £15,326.00 per annum.
24. The Tribunal must register the lower of the adjusted market rent or maximum fair rent as the fair rent for the property. In this instance the maximum fair rent produces a higher figure and the Tribunal therefore registered the rent at £14,300 per annum with effect from 9th April 2024 being the date of the Tribunal decision.

Name: Mr J A Naylor FRICS, FIRPM

Date: 9th April 2024

ANNEX – RIGHTS OF APPEAL

The Tribunal is required to set out rights of appeal against its Decision 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.

APPENDIX

Rent Act 1977

Section 70 Determination of Fair Rent

- (1) In determining, for the purpose of this part of this Act, what rent is or would be a fair rent under a regulated tenancy of a dwellinghouse, regard shall be had to all the circumstances (other than personal circumstances) and, in particular, to –
 - (a) the age, character, locality and state of repair of the dwellinghouse...F1
 - (b) if any furniture is provided for use under the tenancy, the quantity, quality and condition of the furniture (F2 and)

- (c) (F2(c)) any premium, or sum in the nature of a premium, which has been or may be lawfully required or received on the grant, renewal, continuance or assignment of the tenancy)
- (2) For the purpose of the determination, it shall be assumed that the number of persons seeking to become tenants of similar dwelling-houses in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling-houses in the locality which are available for letting on such terms.
- (3) There shall be disregarded:
- (a) any disrepair or other defect attributable to a failure by the tenant under the regulated tenancy or any predecessor in title of his to comply with any terms thereof;
 - (b) any improvement carried out, otherwise than in pursuance of the terms of the tenancy; by the tenant under the regulated tenancy or any predecessor in title of his;
 - (c) (d).....
...F3
 - (d) If any furniture is provided for use under the regulated tenancy, any improvement to the furniture by the tenant under the regulated tenancy or any predecessor in title of theirs or, as the case may be, any deterioration in the condition of the furniture due to any ill-treatment by the tenant, any person residing or lodging with them, or any sub-tenant of theirs.
 - (e) F4 [(3a) in any case where under Part 1 of the Local Government Finance Act 1992 the landlord or a superior landlord is liable to pay Council Tax in respect of a hereditament (“*the relevant hereditament*”) of which the dwelling-house forms part, regard shall also be had to the amount of Council Tax which, as at the date on which the application to the rent officer was made, was set by the billing authority –
 - (a) for the financial year in which that application was made, and
 - (b) for the category of dwelling within which the relevant hereditament fell on that date,

but any discount or other reduction affecting the amount of Council Tax payable shall be disregarded.

(3b) In subsection (3a) above –

“*hereditament*” means a dwelling within the meaning of Part 1 of the Local Government Finance Act 1992.

“*billing authority*” has the same meaning as in that part of the Act, and

“*category of dwellings*” has the same meaning as in Section 30(1) and (2) of that Act.]

(4) In this section “*improvement*” includes the replacement of any fixture or fitting.

[F5 (4a) in this section “*premium*” has the same meaning as in part IX of this Act and “*sum in the nature of a premium*” means –

- (a) any such loan as is mentioned in Section 119 or 120 of this Act,
- (b) any such excess over the reasonable price of furniture as is mentioned in Section 123 of this Act, and
- (c) Any such advance payment or rent as is mentioned in Section 126 of this Act.]

(5)