



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

<b>Case Reference</b>	:	<b>LON/00AG/F77/2024/0688</b>
<b>Property</b>	:	<b>Flat 4, 58 Lambs Conduit St. Camden London WC1N 3LW</b>
<b>Applicant</b>	:	<b>Governors of Rugby School (Landlord)</b>
<b>Representative</b>	:	<b>Tandem PAM (Agent)</b>
<b>Respondent</b>	:	<b>Mr Pursey (Tenant)</b>
<b>Representative</b>	:	<b>None</b>
<b>Type of Application</b>	:	<b>S.70 Rent Act 1977 – Determination of a new fair rent</b>
<b>Tribunal Members</b>	:	<b>Mr N. Martindale FRICS</b>
<b>Date and venue of Meeting</b>	:	<b>27 January 2025 First Tier Tribunal (London) HMCTS 10 Alfred Place, London WC1E 7LR</b>
<b>Date of Decision</b>	:	<b>27 January 2025</b>

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**REASONS FOR DECISION**

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**Background**

- 1 By an application, the landlord applied to the Rent Officer for registration of a fair rent at £15330 pa. The rent stated as payable at the time of the application was said to be £13770.12 pa as the registered rent. There was no separate variable service charge included.
- 2 With effect from 13 August 2024, the Rent Officer registered a fair rent of £14316 pa there was no variable service charge. The landlord

objected to the new fair rent. The First Tier Tribunal was notified of this objection and a request for a fresh determination of the rent.

### **Directions**

- 3 Directions dated 3 December 2024 were issued by the Tribunal, for case progression. Neither party requested a hearing.

### **Representations**

- 4 Although standard Reply Forms were issued by the Tribunal prior, completed versions were not received back from either landlord or tenant. The landlord objected to the increase. There were no representations from the tenant.
- 5 The Tribunal determined the new rent with the assistance of such written statements from the parties as were received. The landlord provided details of some 5No., 2 room flats in the locality, to let mainly conversions and subdivisions of former nineteenth century larger buildings. The parties also included some 6No. photographs showing the interior of the Property.

### **Inspection**

- 6 The Tribunal did not inspect the Property. The Tribunal was however able to externally view the Property from Google Streetview and other online records (@ October 2024). The Property appeared to date from around the mid nineteenth century set within a 4 level building plus any basement. The Property appeared to be subdivided from earlier staff accommodation built above the original commercial premises on the ground floor. The building of which the Property formed part appeared to have been sub-divided into at least 4No. flats. The Property being one of them.
- 7 The building is set in a busy mainly pedestrianised area of central London in the southern portion of LB Camden. There are no ancillary areas. The Property is accessed from a communal entrance from the street, located to the side of the commercial ground floor premises.
- 8 The Property is a modernized flat created towards 50 years ago. Accommodation is assumed to be on one level served by communal hallways within the building. The property includes 2 rooms, 1 bathroom, WC, kitchen. From an external view the Property appeared to be in good condition. The front elevation is fair faced brickwork with what appear to be single glazed timber double hung sash windows. There is no central heating. There is no mention of furniture, carpets or white goods being provided by the landlord.
- 9 The tenancy began here 15 March 1982.

## Law

- 10 When determining a fair rent the Committee, in accordance with the Rent Act 1977, section 70, had regard to all the circumstances including the age, location and state of repair of the property. It also disregarded the effect of (a) any relevant tenant's improvements and (b) the effect of any disrepair or other defect attributable to the tenant or any predecessor in title under the regulated tenancy, on the rental value of the 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 emphasized
  - (a) that ordinarily a fair rent is the market rent for the property discounted for 'scarcity' (i.e. that element, if 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
  - (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).
- 12 Where the condition of a property is poorer than that of comparable properties, so that the rents of those comparables are towards twice that proposed rent for the subject property, it calls into question whether or not those transactions are truly comparable. Would prospective tenants of modernized properties in good order consider taking a tenancy of an un-modernised house in poor repair and with only basic facilities or are they in entirely separate lettings markets? The problem for the Tribunal is that the only evidence of value levels available to us is of modernised properties. We therefore have to use this but make appropriate discounts for the differences, rather than ignore it and determine a rent entirely based on our own knowledge and experience, whenever we can.
- 13 On the evidence of the comparable lettings and our own general knowledge of market rent levels in and around Camden, the Tribunal accepts that the Property would let on normal Assured Shorthold Tenancy (AST) terms, for £30,000 per annum. This then, is the appropriate starting point from which to determine the rent of the Property as it falls to be valued.
- 14 A normal open market letting would include carpets, curtains and "white goods", but these are assumed provided by the tenant. There is no central heating. The photographs show a well maintained interior.

Deductions for these shortcomings amount to £5,000 pa, leaving the adjusted market rent at £25,000 pa.

- 15 The Tribunal also has to consider the element of scarcity and whether demand exceeded supply. The Tribunal found that there was scarcity in the locality of Camden this type of property and makes a further deduction of £5,000 pcm from the adjusted market rent.
- 16 The fair rent to be registered on this basis alone would be £20,000 pa but, the new rent is limited by the statutory Maximum Fair Rent Cap calculation. The MFRC limits any increase to the change in RPI (set two months prior at each date), between the date of the last registration of a fair rent and the current, plus 5%. The calculations are shown in the MFR form and this caps the new fair rent at £16373 pa. The fair rent is therefore capped and registered at this figure.
- 17 The Rent Act makes no allowance for the Tribunal to take account of hardship arising from the new rent payable compared with the existing rent registered. The landlord is entitled but, not compelled, to charge the tenants rent at the registered figure from the effective date. However the landlord may not charge more than the fair rent.

**Chairman N Martindale FRICS**

**Dated 27 January 2025**

### **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) on any point of law arising from this Decision.

Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this decision to the person making the application (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013).

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).