FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00AC/F77/2024/0651**
Property	**:**	**11 Beechwood Hall Regents Park Road London N3 3AT**
Applicant	**:**	**Mrs S Eisenhower (Tenant)**
Representative	**:**	**None**
Respondent	**:**	**Grainger Bradley Ltd. (Landlord)**
Representative	**:**	**Grainger plc (Agent)**
Type of Application	**:**	**S.70 Rent Act 1977 – Determination of a new fair rent**
Tribunal Members	**:**	**Mr N. Martindale FRICS**
Date and venue of Meeting	**:**	**3 February 2025 First Tier Tribunal (London) HMCTS 10 Alfred Place, London WC1E 7LR**
Date of Decision	**:**	**3 February 2025**

REASONS FOR DECISION

Background

1 By an application in 2024 the landlord applied to the Rent Officer for registration of a fair rent. The rent stated as payable at the time of the application was said to be £1200 pcm. There was a small service charge of £72.54 pcm included.

2 With effect from 7 August 2024, the Rent Officer registered a fair rent of £1285 pcm including a service charge of £106.26 pcm. There was an

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

Directions

3 Directions dated 31 October 2024 were issued by the Tribunal, for case progression. Neither party requested a hearing.

Representations

4 Standard Reply Forms were issued by the Tribunal prior and both parties invited to complete and return them. The Tribunal did not receive any representations.

Inspection

5 The Tribunal did not inspect the Property. The Tribunal was however able to externally view the Property from Google Streetview (@ September 2024). The Property appeared to be part of a 1930's block of low rise 3 storey, purpose built block of flats arranged in groups of 6 served by internal staircase and entrances. There are gardens to the front. The block faces on to the busy road A598.

6 Externally the building of which the Property forms part, appears to be in good condition, with fair faced brick and rendered finishes to the 3 levels and a double pitched main roof over the block. The Property had 3 rooms, kitchen and bathroom/wc. The building has communal yards/ gardens to front and rear, with on road parking restrictions.

7 There was no record of central heating but there was double glazing. The bathroom and kitchen are assumed of basic functionality only. Any carpets and curtains and white goods historically provided by the landlord are assumed by the Tribunal, to now in effect be provided by the tenants, since the tenancy start on 21 October 1963.

Law

8 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.

9 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).

10 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.

11 On the evidence of the comparable lettings and our own general knowledge of market rent levels in and around Finchley, Barnet, the Tribunal accepts that the Property would let on normal Assured Shorthold Tenancy (AST) terms, for £2,100 pa. This then, is the appropriate starting point from which to determine the rent of the Property as it falls to be valued.

12 A normal open market letting would include carpets, curtains and “white goods”, but after grant in 1963 it is assumed that these are in effect provided by the tenant. The Tribunal assumes that the kitchen and bathroom whilst functional, are both basic. There is no record of central heating. Deduction for these shortcomings amounts to £525 pcm, leaving the adjusted market rent at £1575 pcm.

13 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 Barnet for this type of property and makes a further deduction of 20% from the adjusted market rent with an uncapped fair rent of £1260 pa.

14 The fair rent to be registered on this basis alone would be £1260 pcm, 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 £1389.76 pcm including the service charge of £106.26 pcm. However as the MFR cap is above the uncapped fair rent above, the new fair rent will be £1260 pcm. The fair rent is therefore registered at this figure.

15 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 3 February 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).