



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

Case Reference : **TR/LON/OOBK/F77/2024/0697**

Hearing Type : **Face to Face**

Property : **Flat 27, Luke House, 3 Abbey Orchard Street,
London, SW1P 2JJ**

Applicant : **Dr Geoffrey Buchler (Tenant)**

Respondent : **AO Investments Ltd, c/o Residential Land
(Landlord)**

Representative : **Mr J Smith**

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**

Mr L Packer

Date of Decision : **18 February 2025**

FULL REASONS

REASONS

Background

1. On 4th June 2024 the landlord sent an RR1 application for rent registration of a fair rent to the Rent Officer. The previous rent was established on 21 March 2022 at £13,217 per annum.
2. On 2 October 2024 The Valuation officer determined a fair rent of £15,974 per annum effective from 2 October 2024.
3. In a letter dated 30 October 2024 the tenant objected to the Valuation Officer's registration.
4. The Valuation Office referred the matter to the Tribunal referring the registered rent for determination.
5. On 12 December 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 31 December 2024. The tenant was directed to do likewise by 10 January 2024 with the landlord given further opportunity to respond by 17 January 2024.
6. In consideration of the fair rental value of the subject property, the Tribunal has taken into consideration all documentation before it including any letters and any reply forms returned by the parties.
7. By way of submissions the tenant objected to the rent determined by the Rent Officer.
8. In particular, the tenant provided copy emails between himself and the managing agents relating to works being undertaken for a major commercial work project being completed on the ground floor to illustrate dust and noise nuisance at the property.
9. The tenant failed to return the reply form, however.
10. By way of submissions, the landlord provided details of the floor area of the subject property together with a floor plan.

11. In addition, they have provided floor plans and confirmation of yearly rentals achieved for lettings that they have undertaken within the building of Flats 6, 25, 17 and 7.
12. The landlords also confirmed that there was a service charge of £1,984.21 per annum payable by them in respect of the subject property.
13. It is noted that the tenant is responsible for repair and maintenance as detailed within Section 11 of the Landlord & Tenant Act 1985.
14. On 18 February 2025, on the basis of paper submissions and following the hearing but without inspection the Tribunal determined the fair rent of the above property at £16,109.50 per annum.

The Law

15. When determining a fair rent the Tribunal in accordance with the Rent Act 1977 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.
16. 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

From Google Maps and information included on the rent register as well as information provided by the parties, the Tribunal were able to determine the following :

The property comprises a studio flat comprising a bed-sitting room, kitchen and bathroom of approximately 460 sq. ft.

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

The Hearing

17. A hearing took place at 10 Alfred Place on 18th February 2025. Present at the hearing were Mr Geoffrey Buchler the tenant and Mr Jonathan Smith, solicitor acting on behalf of the landlords.
18. Mr Buchler was the first to address the Tribunal. He advised that he contested the increase in rent because at 21% he just considered this to be far higher than was acceptable.
19. He advised the Tribunal that in the past, rent increases had been limited to lower percentages.
20. Mr Buchler advised that he had contacted the landlords to negotiate a settlement but the landlord was not willing to enter into discussion in this regard,
21. In particular, Mr Buchler confirmed that he understood the calculations that led to the assessment of rent and specifically the capping of any increase to the increase in the Retail Price Index from the date of the last rent registration .
22. It was his contention that this could not be as much as 21% but that he confirmed that he had not made any precise calculations in this regard, nor had he had made any specific reference to the Retail Price Index itself to work out what the result would be over the period. He stated that he imagined that the method adopted by the valuation officers would be to establish the average increase in the Retail Price Index over the period and adopt that .
23. On questioning from the Tribunal, the tenant confirmed that the property was in fact a bed-sitting room with kitchen and small bathroom area. He said that he had refurbished the kitchen himself and that there had been no other change in the accommodation or the facilities but that he also changed the bathroom fittings a number of years ago.
24. The tenant confirmed that he received central heating and hot water from a central source.
25. In respect of rental value, the tenant suggested that this should be reduced to reflect the inconvenience that he has suffered while the major works were undertaken.

26. Mr Smith spoke on behalf of the landlord.
27. He referred the Tribunal to the floor plans and various pieces of comparable evidence that had been provided in the landlord's submissions.
28. On questioning from the Tribunal, Mr Smith confirmed that these all represented open market rents let by AO Investments Ltd on assured shorthold tenancy agreements. Mr Smith said that it was his client's opinion that rents had in fact increased from the sum quoted in the initial notice and that they had increased from £495 per week to £505 per week.
29. By way of corroboration, Mr Smith sought to produce new evidence to the Tribunal.
30. The Tribunal then heard that this evidence had not been provided to the tenant Mr Buchler , and while copies were available for all parties, Mr Buchler was unable to demonstrate that he had an understanding of the position he was being placed in by the new evidence nor an understanding of the evidence itself without being given further time for consideration and additional advice .
31. In the circumstances, the Tribunal refused to admit such evidence to the hearing on the grounds that it would cause prejudice to the tenant.
32. Mr Smith commented on the works to the common parts saying that they had done all they could to accommodate their tenants and lessen the impact of such work but that the works were being undertaken by a commercial tenant who was a third party occupying a unit on the ground floor and was not therefore fully under their control. He confirmed that the work was no longer ongoing.
33. In respect of the condition of the flat, he advised that the landlord was not allowed access and that while there had been no improvements or refitting, the landlords had provided a washer dryer and that between April 2020-2022 the building and thus the flat had benefitted from a new boiler and hot water system, replanting of landscaped planters at the entrance, a refurbishment to the canopy, stone cleaning and an upgrade to fire escapes and alarm systems.
34. Mr Smith confirmed that hot water and heating was provided from a communal system and the cost of provision was included in the rent.

Valuation

35. 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.
36. 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's starting point was £25,356 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 £25,695 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.
37. Lastly the Tribunal is mindful of the fact that there are differences in the condition of the subject property and property that is available to let on the open market .
38. The Tribunal therefore made the following deductions from the market rent of £25,695 per annum to reflect those differences:

Market rent (per annum)	£25,695.00
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Less deductions for:

- Tenant's decorative and repairing liability
- No white goods
- No floor coverings
- Small/ dated kitchen
- Dated bathroom.

Less 27% =	£6,937.65
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Adjusted rent	£18,757.35
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39. 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% (£3,751.47 per annum) from the adjusted market rent to reflect this element. This left a final rental figure of £15,006.88 per annum. To this is added the cost of fuel at £2,218.89 making a total of £17,225.77.

40. 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 £16,109.15 per annum.
41. 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 lower figure, and the Tribunal therefore registered the rent at £16,109.50 per annum with effect from 18 February 2025 being the date of the Tribunal decision.

Name: Mr J A Naylor FRICS, FIRPM

Date: 3 March 2025

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...
 - (b) if any furniture is provided for use under the tenancy, the quantity, quality and condition of the furniture and...
 - (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) 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.
- (d) 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.

In subsection (3d) 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.]

“*improvement*” includes the replacement of any fixture or fitting.

“*premium*” has the same meaning as in part IX of this Act and “*sum in the nature of a premium*” means –

- (i) any such loan as is mentioned in Section 119 or 120 of this Act,
- (ii) any such excess over the reasonable price of furniture as is mentioned in Section 123 of this Act, and

(iii) any such advance payment or rent as is mentioned in Section 126 of this Act.

(4)