

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : LON/00BK/F77/2024/0693

Property: Flat 48 Cranmer Court,

Whiteheads Grove, London,

SW3 3HW

Tenant : Mrs Sonia Bourcier

Tenant Representative : Ms Amanda McKee

Landlord : Rivers Edge Estates Limited

Date of Objection : 25 October 2024

Type of Application : Section 70, Rent Act 1977

Date of Hearing : 28 February 2025

Venue of Hearing : 10 Alfred Place, London WC1E

7LR

Tribunal : Mrs S Phillips MRICS Valuer

Chair

Mr J Francis

Date of Reasons : 3 March 2025

DECISION

The sum of £7,651.00 per quarter will be registered as the fair rent with effect from 3 March 2025, being the date the Tribunal made the Decision.

© CROWN COPYRIGHT 2023

FULL REASONS

Background

- 1. On 22 July 2024 the Landlord applied to the Rent Officer for registration of a fair rent of £33,844.80 per annum (including service and fuel charges of £7,187.23 per annum) for a two-bedroom flat on the third floor (flat 48) at Cranmer Court, Whiteheads Grove, London SW3 3HW (the subject property).
- 2. The rent was previously registered on 10 November 2020 at £7,051 per quarter (including services at £881.38 and fuel charges at £160.49 per quarter) with effect from 10 November 2020. On 1 October 2024 the Rent Officer registered a fair rent of £8,804.00 per quarter (including services of £503.80 and fuel charges of £91.08 per quarter) equating to £35,216 per annum with effect from 1 October 2024. This rent appears to have been the rent determined under section 70 of the Rent Act 1977 and was below the capped rent as provided for by The Rent Acts (Maximum Fair Rent) Order 1999.
- 3. By an email dated 25 October 2024 the Tenant objected to the rent determined by the Rent Officer and the matter was referred to the First-tier Tribunal.
- 4. The Tribunal issued Directions on 5 December 2024 setting out the timetable and the steps the parties were required to take in preparation for the determination of this case.

The Law

5. When determining a fair rent the Tribunal, in accordance with section 70 of the Rent Act 1977 (the Act), 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.
- 6. In SpathHolme 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 emphasised:
 - (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).
- 7. The Rent Acts (Maximum Fair Rent) Order 1999 (the 1999 Order) provides the framework that places a ceiling on the maximum rent that can be registered. The calculation is based upon a formula that applies an increase in the monthly United Kingdom Index of Retail Prices to the previously registered rent.

Hearing and Evidence

- 8. A hearing was held on 28 February 2025 at 10 Alfred Place, London, WC1E 7LR. The Tenant Mrs Bourcier attended the hearing together with her niece Ms Amanda McKee who was her representative. The Landlord did not attend, nor did they send a representative.
- 9. The Tribunal heard from the Tenant and then Ms McKee mainly in relation to the works to the heating pipes that the Landlord undertook in 2024. The Tenant stated that these were not improvement works despite the Landlord stating that they were in the written forms.
- 10. The works resulted in the Tenant having to relocate from the property for approximately three weeks due to the disruptive nature of the works. New pipework was installed under the floor boards throughout the property.
- 11. When the Tenant returned to the property, she had to live without carpets for approximately four weeks until new ones were fitted. The carpet that was then subsequently installed to replace the carpet the Tenant had

originally installed was not replaced like for like and the Tenant had limited colour choice, despite the Tenant having coordinated the original carpets with the décor of each room in the property. The Tenant stated this has resulted in a less than ideal appearance.

- 12. Ms McKee also added that her aunt (Mrs Bourcier) is a 95-year-old woman who is wheel chair bound and having to relocate whilst the works were going on was very disruptive and unsettling for her. In addition, the changes to the heating systems have not improved the property but resulted in reducing the heat output within the property. The radiators were replaced as part of the works and do not have the same heat output as the old ones. In the bathroom the radiator has been replaced with a smaller one.
- 13. Furthermore, the Tenant was previously able to use the airing cupboard for drying clothes as pipes originally ran through this. The works resulted in all pipework being under the floor boards and an airing cupboard is therefore no longer available.
- 14. With regards to the rest of the property, the windows are single glazed and during the winter months the Tenant has to tape up the edges or use fabric to block out the draught and cold from the window frames.
- 15. The Tenant feels that this is such a big rent increase and is not justified.
- 16. The Landlord was not present and there were no written submissions from them.

Inspection

17. The Tribunal did not inspect the property but considered this case on the basis of the papers and evidence provided by the parties.

Determination and Valuation

- 18. The Tribunal initially needs to determine what rent the Landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such an open market letting. In doing this, the Tribunal will consider the rental value of the property and will not consider the personal circumstances of the Tenant, as that is not a factor envisaged by the Act.
- 19. Having consideration of our own expert, general knowledge of rental values in the area, the Tribunal consider the open market rent for the

- property in good tenantable condition would be in the region of £4,500 per calendar month for the subject property.
- 20. The next aspect to be considered is whether any adjustments need to be made to the open market rent to reflect the condition of the property but disregarding any improvements by the tenant other than those in accordance with the tenancy.
- 21. Lastly the issue of scarcity will also be considered for the valuation. The Tribunal was not provided with any specific evidence on this issue. However, the issue of scarcity is considered on the basis of the number of properties available to let and also considering the demand for such properties and over a really large area. Neither party provided any specific evidence in respect of scarcity. Therefore, using our knowledge and experience we consider that in the wide geographical area of Greater London there is an imbalance between supply and demand and this impacts upon rental values. Accordingly, we make a deduction for scarcity of approximately 20%. The full valuation is shown below.

Market Rent		£/month 4,500
Less		
Unmodernised bathroom & kitch	hen) 15%	
No white good provided) 5%	
Tenant's decoration liability) 5%	
No curtains / flooring) 5%	
		<u>1,350</u>
		3,150
Less		
Scarcity	approx. 20%	<u>302</u>
		2,520

- 22. The sum of £2,520 per month and equates to approximately £7,560 per quarter.
- 23. The above sum includes services but the fuel charge of £91.08 per quarter needs to be factored in. As such the final market rent total is £7,651.08 per quarter, say £7,651.00 per quarter.

Decision

- 24. The uncapped fair rent initially determined by the Tribunal, for the purposes of section 70, was £7,651 per quarter. The capped rent for the property according to the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 is calculated at £8,863.88 per quarter. The calculation of the capped rent is shown on the decision form. In this case the lower rent of £7,651.00 per quarter is to be registered as the fair rent for this property.
- 25. Accordingly, the sum of £7,651.00 per quarter will be registered as the fair rent with effect from 3 March 2025 being the date of the Tribunal's decision.

Chairman: Mrs S Phillips Date: 3 March 2025

APPEAL PROVISIONS

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 a party wishes to appeal 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.

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