



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

Case reference : LON/00AJ/F77/2025/0108

Property : Flat D 165 The Vale, Acton, London W3
7RD

Applicant (Tenant) : Ms Margaret Cooney

Representative : Linda Quinn (Niece)

**Respondent
(Landlord)** : A2 Dominion Group

Representative : None

Type of application : Section 70 of the Rent Act 1977

Tribunal members : Mr D Jagger MRICS
Mr L Packer

Date of Reasons : 16 May 2025

Reasons

The Tribunal determines £542.17 per month is to be registered as the fair rent for the above property with effect from the 16 May 2025 being the date of the Tribunal's decision.

The reasons for this decision are set out below.

Reasons

Background

1 On 18 November 2024 the landlord, applied to the Valuation Office Agency (Rent Officer) for registration of a fair rent of £1,342.50 per month for the property, which is 25% owned by the tenant, who pays rent on the remaining 75%.

2 The previous Registered Rent at the time of the application was £358.54 per month, effective from 21 August 2008, some 17 years ago.

3 On 10 January 2025 the Rent Officer registered a fair rent of £653.57 per month, effective from that date. The rent increase imposed by the Rent Officer has not been “capped” or limited by the operation of the Rent Acts (Maximum Fair Rent) Order 1999 (‘the Order’).

4 By an email dated 29 January 2025 from Linda Quinn, the tenant’s niece and representative, the tenant objected to the rent determined by the Rent Officer and the matter was referred to this Tribunal. In the tenant’s Reply Form, the tenant requested a hearing to consider this matter.

5 These reasons address in summary form the key issues raised by the parties. They do not recite each point referred to in submissions but concentrate on those issues which, in the Tribunal’s view, are fundamental to the determination.

The law

6 When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, must have regard to all the circumstances including the age, location and state of repair of the property. It also must disregard the effect of (a) any relevant tenant's improvements and (b) the effect of any disrepair or other defect attributable to the tenant, on the rental value of the property. Section 70(2) of the Rent Act 1977 imposes on the Tribunal an assumption that the number of persons seeking to become tenants of similar dwelling house 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. This is commonly called ‘scarcity’.

In *Spath Holme Ltd v Chairman of the Greater Manchester Council* (1995) 28 HLR 107 and *Curtis v London Rent Assessment Tribunal* [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).

The Rent Acts (Maximum Fair Rent) Order 1999 places a “cap” on the permissible amount of the increase of a fair rent between one registration and the next, by reference to the amount of the increase in the United Kingdom Index of Retail Prices between the dates of the two registrations. Where the cap applies the Rent Officer and the Tribunal is prevented from increasing the amount of the fair rent that it registers beyond the maximum fair rent calculated in accordance with the provisions of the Order and the mathematical formula set out in the Order.

By article 2(7) of the 1999 Order the capping provisions do not apply “*in respect of a dwelling-house if because of a change in the condition of the dwelling-house or the common parts as a result of repairs or improvements (including the replacement of any fixture or fitting) carried out by the landlord or a superior landlord, the rent that is determined in response to an application for registration of a new rent under Part IV exceeds by at least 15% the previous rent registered or confirmed.*”

The Hearing and Inspection.

7 At the tenant’s request a hearing took place at 9.30am on 16 May 2025 at 10 Alfred Place London WC1E 7LR in the presence of the tenant and Linda Quinn. The landlord did not attend. The tenant was given the opportunity to elaborate on her written submissions and the Tribunal explained to the tenant the methodology for the calculation of the capped rent which is the maximum rent that can be charged. In the bundle of evidence submitted to the Tribunal by the tenant there is a letter dated the 10 March 2025 from the Landlord which sets out a summary of the monthly payments to be made from the 15 March 2025 through to the 15 March 2026. The monthly payment is £294.75 inclusive of service charge. Therefore, it must be assumed this is the new rental payment sought by the landlord for the year ending 15 March 2026. A further letter dated the 25 April 2025 from Calvin Thain of A2 Dominion confirms there is a credit of £5,019.07 on the tenants account.

8 The Tribunal inspected the property following the hearing in the presence of the tenant. The property is a self-contained purpose built flat situated on the third floor of a mid terrace Victorian building with commercial premises on the ground floor. Accommodation consists of a reception room, kitchen, bedroom, bathroom and WC. The property is located busy mixed commercial and residential area convenient to local amenities and transport facilities. The property is approached via a poorly maintained communal area with a steep and narrow staircase leading to the third floor, which would restrict marketability.

9 The property has gas central heating, single glazed timber windows. Floor coverings, curtains, central heating boiler (replaced at the tenant's cost). Fitted, wardrobes and white goods were provided by the tenant.

Terms of the tenancy

10 The Tribunal issued Directions on the 1 April 2025. A copy of the tenancy agreement was not provided to the Tribunal. The landlord states in the application for registration of fair rent, the periodic protected tenancy commenced on the 1 August 1986. The detailed calculations for the assessment of this proposed new rent is provided in these reasons for the decision.

Evidence

11 The Tribunal had copies of the Valuation Office Agency correspondence including the rent registers effective 21 August 2008 and 10 January 2025 together with the detailed calculations for the most recent registration.

12 The tenant submitted a statement challenging the proposed increase in rent together with a completed Reply Form. The landlord did not provide any written submissions, and no comparable rental evidence was provided by the parties.

Valuation

13 In the first instance the Tribunal determined 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.

14 Based upon the evidence provided by the Tenant together with its expert knowledge of the Acton area, the Tribunal considers that the open market rent for the property if it were in good marketable condition, with reasonably modern kitchen and bathroom fittings, modern services, carpets and curtains and white goods supplied by the landlord, would be **£1,500** per month.

15 Next, the Tribunal needs to adjust that hypothetical rent of £1,500 per month to allow for the differences between the terms of this tenancy, the lack of white

goods, carpets and curtains, rot infestation to single glazed windows, staining to ceiling plaster caused by leaks to the flat roof, dated kitchen and sanitary fittings and the tenant's decorating responsibilities (disregarding the effect of tenant's improvements and any disrepair or other defect attributable to the tenant).

16 The Tribunal has considered very carefully the information prepared by the Tenant. Using its own expertise, the Tribunal considers that deductions of 35% should be applied in order to take into account the terms of the tenancy, the condition of the property and the lack of carpets, curtains and white goods. This provides a deduction of £525 per month from the hypothetical rent. This reduces the figure to £975 per month.

17 It should be noted that this figure cannot be a simple arithmetical calculation and is not based upon capital costs but is the Tribunal's estimate of the amount by which the rent would need to be reduced to attract a tenant.

Scarcity

18 Thirdly, the Tribunal then went on to consider whether a deduction falls to be made to reflect scarcity within the meaning of section 70(2) of the 1977 Act. The tribunal followed the decision of the High Court in *Yeomans Row Management Ltd v London Rent Assessment Committee*, in which it was held that scarcity over a wide area should be considered rather than scarcity in relation to a particular locality.

19 In the Tribunal's opinion there should be a deduction of 20% for scarcity as it is considered demand outweighs supply of rented properties in the area. This provides a figure of £195 and therefore reduces the rent to **£780 per month.**

20. Next, the service charge figure of £26.96 is deducted together with an adjustment for the internal repair covenants which has been calculated at 10% (£78.00) This now provides a revised total of £675.04.

21. A further deduction is made for management, audit and insurance fees which is calculated at 4.5%. (£30.38) This produces a Gross Rent of £644.66

22. The next step is to adjust for the 25% share held by the tenant which equates to £161.16 which provides the specific rent of 75% being £484.83.

23. Finally, the service charge and management fees are added back (£57.34) This produces the Fair Rent to be registered, subject to rent capping at a figure of **£542.17 per month.**

Conclusion

20 The capping provisions of the Rent Acts (Maximum Fair Rent) Order do not apply and therefore the above figure is the new Registered Rent. For information, the capped rent in accordance with the attached calculations is £697.46 per month.

21 Therefore, the fair rent to be registered limited by the Rent Acts (Maximum Fair Rent) Order 1999 is £542.17 per month with effect from the 16 May 2025 being the date of the Tribunals decision.

22 Detailed calculations for the capped maximum fair rent are provided attached to the decision form.

23 The tenant Ms Cooney brought her case to the Tribunal because of her anxiety that she could face such a large increase as the £653.57 per month determined by the Rent Officer. The Tribunal reminded Miss Cooney that the figure which both the Rent officer and the Tribunal determined was the *maximum* allowable rent; that it was open to a landlord to charge a lower amount of rent; and that this was often the case with social landlords – As A2 Dominion had indeed done with Miss Cooney’s rent in the past. Moreover, it appeared that Miss Cooney’s rent was in any event has been fixed at £294.75 per month until 15 March 2026.

24. The Tribunal suggested to Miss Cooney that when she had received the Tribunal’s decision, she contact A2 Dominion and seek its confirmation that the rent to apply after 16 May 2025 will be £294.75, as in its letter of 10 March 2025; and, if possible, an indication of the rent it would anticipate seeking after March 2026.

D Jagger MRICS Valuer Chair

16 May 2025

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpslondon@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide

whether to extend time or not to allow the application for permission to appeal to proceed.

4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.