

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CAM/38UC/F77/2025/0011

HMCTS code : P:PAPERREMOTE

Property: 6 Leon Close, Oxford, OX4 1GS

Applicant (Tenant) : R Collins

Respondent (Landlord) : A2 Dominion Group

Type of application : Determination of a fair rent under

section 70 of the Rent Act 1977

Tribunal members : Peter Roberts FRICS CEnv

Date of Determination : 13 June 2025

DECISION

Description of hearing

This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper determination described above as P:PAPERREMOTE The documents that the Tribunal was referred to are in bundles from the Applicant and the Respondent. The Tribunal has noted the contents and the decision is below.

Decision

The Tribunal determined a Gross Fair Rent of £167.86 per week effective from 13 June 2025.

Reasons

Background

- 1. The Landlord made an application dated 6 November 2024 to register the rent of the Property at £132.42 per week. This was stated to be inclusive of a variable Service Charge of £15.61 per week.
- 2. The Rent Officer registered a Fair Rent of £148 per week (inclusive of a service charge of £15.61 per week) on 16 January 2025 effective from the same day. This was in lieu of the previous rent of £143.00 per week (inclusive of a service charge of £8.78 per week) which was registered on 23 May 2022 December 2022 and effective from the same date.
- 3. The Tenant submitted an objection dated 9 February 2025.
- 4. The Tribunal issued Directions on 10 March 2025, inviting the parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the Tribunal to consider.

The Property

- 5. The Tribunal did not inspect the Property but has relied upon information in the public domain and as supplied by the Rent Officer.
- 6. The Property comprises a first floor purpose built flat in a three storey block and provides a bathroom, kitchen and lounge/bedroom.

The Law

- 7. The relevant law is set out in section 70 of the Rent Act 1977 (the Act) and The Rent Acts (Maximum Fair Rent) Order 1999 (the Order).
- 8. Section 70 (1) of The Act provides that in assessing the rent:
 - "regard shall be had to all the circumstances (other than personal circumstances) and in particular to
 - i. the age, character, locality and state of repair of the dwelling-house,
 - ii. if any furniture is provided for use under the tenancy, the quantity, quality and condition of the furniture and
 - iii. 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."

- 9. Section 70 (3) of the Act provides that:
 - "...there shall be disregarded.
 - i. 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.
 - ii. 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
 - iii. 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 his 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 him, or any subtenant of his."
- 10. In addition, section 70 (2) of The Act requires the Tribunal to assume:
 - "that the number of persons seeking to become tenants of similar dwellinghouses 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."
- 11. This latter provision requires the Tribunal to assume that the demand for similar rented properties in the locality does not significantly exceed the supply of such properties for rent; in effect, if such scarcity exists, the Tribunal is to adjust the rental figure so that the fair rent is not affected by it.
- 12. 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 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)."
- 13. In considering scarcity under section 70 (2) the Tribunal recognised that:
 - (a) "there are considerable variations in the level of scarcity in different parts of the country and that there is no general guidance or "rule of thumb" to indicate what adjustment should be made; the Tribunal therefore considers the case on its merits.

- (b) terms relating to rent are to be excluded. A lack of demand at a particular rent is not necessarily evidence of no scarcity; it may be evidence that the prospective tenants are not prepared to pay that particular rent."
- 14. Section 71 (1) of the Act provides that the registration of the rent takes effect from the date that the Tribunal makes its decision.
- 15. Fair rents are subject to a capping procedure under the Rent Acts (Maximum Fair Rent) Order 1999 which limits increases by a formula based on the increase in the Retail Price Index since the previous registration.
- 16. Section 72 (1) (b) of the Act provides that the registration of a rent takes effect:
 - "...if the rent is determined by the appropriate tribunal, from the date when the tribunal make their decision"

Representations – Tenant

17. The Tenant stated:

"I object to the rent increase of £148 per week. I received a rent increase from A2 Dominion from 17/2/2025 stating that my rent was going to increase to £117.23 per week. Please could you explain this to me"

18. The Tenant did not return the Reply Form or make any further submission.

Representations -Landlord

19. The Landlord did not submit any correspondence and took no part in these submissions.

Determination

- 20. The Tribunal would encourage the Landlord to explain to its tenants the differences between rents set in accordance with principles set out by the Regulator of Social Housing (RSO) and the assessment of Fair Rent in accordance with the Act.
- 21. In this regard, the Tribunal does not have any jurisdiction in calculating Target Rents in line with the principles set down by the RSO or checking whether the Landlord is charging the correct rent determined by such provisions. This is a completely separate matter to the determination of the Fair Rent and the Tribunal is unable to comment further.
- 22. Whilst the Tribunal does have jurisdiction in determining the Fair Rent, this would only become relevant in setting the <u>maximum rent</u> that could be charged by the Landlord if the Fair Rent was below the rent that might otherwise become payable having applied the caps set by the RSO.
- 23. In effect, the Fair Rent Provisions apply a statutory basis for calculating the rent but this does not prevent the RSO from issuing regulations that result in

tenants paying rents below those set by the Fair Rent legislation. On the understanding that the Landlord is charging £117.23 per week, it would appear that the RSO regulations have resulted in the Landlord being required to charge a rent below that which would result if the Fair Rent provisions were applied.

- 24. In assessing the Fair Rent the Tribunal is unable to consider the personal circumstances of the Parties. As such, the assessment of rent has no regard to the personal, financial or health circumstances of either party both of whom are considered to be hypothetical. The Tribunal has therefore had regard to hypothetical, willing parties in the open market. The ownership costs arising to the actual Landlord are therefore irrelevant to this exercise.
- 25. Having determined that the parties to the assumed transaction are hypothetical, the next step, as set out in the Spath case as referred to above, is to determine the rent which a landlord could reasonably expect to obtain for the Property in the open market if it were let today in the condition and on the terms now usual for open market lettings.
- 26. The rent currently paid and/or registered is not relevant to this exercise. As such, the Tribunal has not relied upon the previous rent in any way and has disregarded historic evidence/determinations.
- 27. It is also not relevant whether or not the Landlord considers that the rent paid is sufficient to fund its liabilities and/or repair obligations. The cost to the Landlord of putting the Property into a suitable state and complying with its obligations is not a matter for consideration in determining the rent payable.
- 28. In the absence of any evidence being made available, the Tribunal has relied upon its own knowledge/expertise and is of the opinion that the Property would attract a rent in the region of £900 per month.
- 29. However, this is before account is taken of the need to disregard the Tenant's improvements. The Tribunal has therefore deducted 5% each for carpets and curtains, 5% on account of the Tenant providing his own White Goods and 5% to reflect that the Tenant has taken responsibility for the decoration.
- 30. The Tribunal also considers that there is a scarcity of supply of similar properties in the general location at the present time and has applied a scarcity allowance of 10% on this occasion.
- 31. Having fully considered all matters relevant to this case, the Tribunal therefore considers the Fair Rent to be £152.25 per week.
- 32. The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 require that the registered rent is either the capped Fair Rent, details of which are attached to this Decision, or the Fair Rent.
- 33. As set out above, the capped rent is determined by a formula that has regard to the increase in the Retail Price Index since the date of the last rent registration.

- 34. The Tribunal notes that the previous net rent detailed on the Rent Register was £134.22 per week (after deduction of the service charge of £8.78 per week) effective from 23 May 2022. The calculated capped net rent as at the date of this Determination is therefore £167 per week.
- 35. The net Fair Rent is below the net Capped Net Rent. Therefore, the net Fair Rent of £152.25 per week applies.
- 36. The Tribunal does not have any jurisdiction under these proceedings to make any determination in respect of the service charges. A separate challenge in respect of the service charge element would therefore need to be made by the Tenant in accordance with section 27A of the Landlord and Tenant Act 1985 before the Tribunal could determine that element. The Tribunal makes no observations, at this stage, in respect of the merits or otherwise of such challenge.
- 37. The Tribunal therefore determines the net Rent in the absence of any Rent Cap limit at £152.25 plus £15.61 equating to a **gross Fair Rent of £167.86 per week.** The rent payable may not therefore exceed this amount.
- 38. The Tribunal also directs that the revised Rent takes effect from the date of this Determination.

Name: Peter Roberts FRICS CEnv Date: 13 June 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).

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

Notice of the Tribunal Decision

Rent Act 1977 Schedule	11						
Address of Premises		_	The Tribun	al members	were		
6 Leon Close, Oxford, OX4 1GS		Peter Roberts FRICS CEnv					
Landlord		A2 Dominion Ground					
Tenant		R Collins					
1. The fair rent is	£167.82	per	week	,		ntes and council ta nmounts in paras	X
2. The effective date is		13 June 2025					
3. The amount for services included in the rent is		£15.61			Per	week	_
4. The amount for fuel ch	arges (excluding	heating	and lighting o	f common pa	arts) not	counting for	
			Nil		Per	N/A	
		not app	licable				_
5. The rent is not to be re	gistered as variat	ole.					
6. The capping provision	s of the Rent Acts	(Maxim	um Fair Rent)	Order 1999	<u>apply</u>		
7. Details (other than ren	t) where different	from Rei	nt Register en	try			
8. The calculated Fair Re applies	nt is £167.20 per v	veek. As	this is lower	than the Cap	ped Ren	t the Fair <u>Rent</u>	
							_
Chairman	Peter Robe FRICS CE		Date of d	lecision	13 Jur	ne 2025	

MAXIMUM FAIR RENT CALCULATION

Address of premises							
	Oxford, OX4 1GS						
LATEST RPI FIGURE	х Г	402.2	\neg				
PREVIOUS RPI FIGURE	у [337.1					
x 402.2	minus y	337.1	= (A)	65.1			
(A) 65.1	divided by	у 337.1	= (B)	0.1931178			
First application for re-registration since 1 February 1999 No							
If yes (B) plus 1.075 = (C)		N/A					
If no (B) plus 1.05 = (C)		1.243117769					
Last registered rent* *(exclusive of any variable service charge)		134.22	Multiplied	by (C) = 166.851			
Rounded up to the nearest 50 pence =		167					
Variable service charge (Yes/No)		Yes					
If YES add amount for services =		15.61					

Explanatory Note

per

week

- 1. The calculation of the maximum fair rent, in accordance with the formula contained in the Order, is set out above.
- 2. In summary, the formula provides for the maximum fair rent to be calculated by:

£182.61

- a) increasing the previous registered rent by the percentage change in the retail price index (the RPI) since the date of that earlier registration and
- b) adding a further 7.5% (if the present application was the first since 1 February 1999) or 5% (if it is a second or subsequent application since that date).

A 7.5% increase is represented, in the calculation set out above, by the addition of 1.075 to (B) and an increase of 5% is represented by the addition of 1.05 to (B)

The result is rounded up to the nearest 50 pence

MAXIMUM FAIR RENT =

- 3. For the purposes of the calculation the latest RPI figure (x) is that published in the calendar month immediately before the month in which the Committee's fair rent determination was made.
- 4. The process differs where the tenancy agreement contains a variable service charge and the rent is to be registered as variable under section 71(4) of the Rent Act 1977. In such a case the variable service charge is removed before applying the formula. When the amount determined by the application of the formula is ascertained the service charge is then added to that sum in order to produce the maximum fair rent.