

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : LON/00BK/F77/2025/0136

Property: Flat 4, 44 Langham Street, London,

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Tenant : Mr D Hartwell

Landlord : Dorrington Residential Limited

Date of Objection : 27 February 2025

Type of Application : Section 70, Rent Act 1977

Tribunal Members : Ms S Beckwith MRICS

Ms H C Bowers MRICS

Date of decision : 2 July 2025

DECISION

The sum of £965 per calendar month will be registered as the fair rent with effect from 2 July 2025, being the date the Tribunal made the Decision.

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REASONS

Background

- 1. The Landlord applied to the Rent Officer for the registration of a fair rent for this property on **11 December 2024.**
- 2. A fair rent of £1,053.50 per calendar month was registered on 30 January 2025 following the application, such rent to have effect from 30 January 2025. The Tenant subsequently challenged the registered rent on 27 February 2025 and the Rent Officer requested the matter be referred to the Tribunal for determination.
- 3. Directions were issued on **6 May 2025** by the Tribunal. The parties were directed to provide reply forms and invited to submit any relevant information and submissions. The Tenant returned the reply form and provided additional submissions. The Tribunal did not receive a completed reply form or any submissions from the Landlord.
- 4. The Tribunal's reply forms asked if the parties required a hearing or wished for the Tribunal to inspect. The directions provided that, if neither party requested a hearing, the Tribunal would consider the matter on the basis of the documents received. Neither party indicated that they required a hearing be held, but the Tenant indicated he wished the Tribunal to inspect.

The Inspection and Property

- 5. The Tribunal inspected the property on 2 July 2025. The Tenant's wife showed us around the Property. The Landlord did not attend the inspection, which we continued with in their absence noting both that sufficient notice of our inspection had been given and that the landlord had not engaged with the Tribunal in this matter.
- 6. The Property is a small one bed flat located on the third floor of a period building on Langham Street, in the Fitzrovia area of Central London. Goodge Street and Oxford Circus underground stations are nearest to the Property, within a short walk.
- 7. The Property is accessed via a flight of stairs, the building having no lift. It has timber-framed single-glazed sash windows and no central heating.
- 8. The entrance door opens directly onto a small kitchen area within a corridor between the living room and the bedroom. There is a sink, but no oven. There is a small shower cubical within this area. The refrigerator is situated in the living room. There is a small separate WC, but no sink within this room.
- 9. The Tenant has provided all white goods, carpets and curtains.

Evidence

10. The Tribunal considered the reply form and submissions provided by the Tenant and the documents provided by the Rent Officer, which include the Landlord's original application form. The Rent Officer's paperwork shows a fixed service charge of £27.71 per calendar month.

Law

- 11. When determining the fair rent, in accordance with the Rent Act 1977, section 70, "the Act", the Tribunal shall have regard to all the circumstances (other than the personal circumstances of the parties) including the age, location and state of repair of the property. It shall also disregard 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.
- 12. In Spath Holme Ltd v Chairman of the Greater Manchester etc. Committee (1995) and Curtis v London Rent Assessment Committee [1999] the Court of Appeal emphasised that ordinarily a fair rent is the market rent for the property discounted for 'scarcity'. This is 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.
- 13. Curtis v London Rent Assessment Committee (1999) QB.92 is a relevant authority in registered rent determination. This authority states where good market rental comparable evidence, i.e., assured shorthold tenancies, is available enabling the identification of a market rent as a starting point it is wrong to rely on registered rents. The decision provides that: "If there are market rent comparables from which the fair rent can be derived why bother with fair rent comparables at all".
- 14. The Tenant provided a schedule of registered rent comparables, however, in accordance with the authority above, these are not appropriate for the Tribunal to rely on for the purpose of this valuation. The main reason is that those registered rents are set under the provisions of the Rent Act 1977 and are subject to the Rent Act (Maximum Fair Rent) Order 1999 and as such are not evidence of open market rents.
- 15. The market rents charged for assured tenancy lettings often form appropriate comparable transactions from which a scarcity deduction is made.
- 16. These market rents are also adjusted where appropriate to reflect any relevant differences between those of the subject and comparable rental properties.

- 17. The Upper Tribunal in Trustees of the Israel Moss Children's Trust v Bandy [2015] explained the duty of the First Tier Tribunal to present comprehensive and cogent fair rent findings. These directions are applied in this decision.
- 18. The Rent Acts (Maximum Fair Rent) Order 1999 applies to all dwelling houses where an application for the registration of a new rent is made after the date of the Order and there is an existing registered rent under part IV of the Act. This article restricts any rental increase to 5% above the previously registered rent plus retail price indexation (RPI) since the last registered rent. The relevant registered rent in this matter was registered on 2 September 2021 at £800 per calendar month. The rent registered on 30 January 2025 subject to the current objection and subsequent determination by the Tribunal is not relevant to this calculation.
- 19. The Order is not applied should the Tribunal assess that as a consequence of repairs or improvements carried out by the Landlord the rent that is determined in response to an application for a new rent registration exceeds by at least 15% the previous rent registered. Repairs and improvements have not been carried out in this case, therefore this provision does not apply.
- 20. The Upper Tribunal in Peabody Trust v Welstead [2024] UKUT 41 (LC) addressed the reliance upon the experience and knowledge of a tribunal following an application to the Tribunal. Judge Martin Rodger KC, Deputy Chamber President said:
 - "The FTT is a specialist tribunal whose members are appointed because of their experience and professional backgrounds in residential property matters. Whilst sitting on the FTT its members will acquire further relevant experience and familiarity with general levels of value or costs in a particular area. This is one of the key strengths of the Tribunal system and it is particularly important in dealing with the numerous cases of modest value in which a decision has to be made on very limited information. Rent assessments are typical of those types of cases."
- 21. Although this decision was concerned with management charges it also specifically addressed the role of the Expert Tribunal when little or no evidence is provided by the parties. The Deputy Chamber President said:
 - "It was entitled to rely on its general experience of management charges; that is what it was appointed to do and, in the absence of assistance from the parties, there was no other source on which it could rely."
- 22. In this matter, market comparable rental information and scarcity data was not proffered by either party and the Tribunal had to rely upon their general knowledge and expertise. This approach accords with the Upper Tribunal guidance on the appropriate role of the Tribunal in such situations.

Determination and Valuation

- 23. As set out above, it would be inappropriate for the Tribunal to rely on the registered rental comparables submitted by the Tenant. Neither party provided evidence of market comparable transactions. Having consideration of our own expert, general knowledge of rental values in the area, we consider that the open market rent for a similar sized property, in the condition considered usual for such an open market letting, would be in the region of £2,000 per calendar month.
- 24. From this starting point, the Tribunal adjusts to allow for the differences between the terms and conditions considered usual for such a letting and the nature and condition of the actual property at the date of the determination. Tenant's improvements are to be disregarded for the purpose of the valuation, however, there are none in this case.
- 25. There are substantial differences between the condition a property would be expected to be presented on the open market and the configuration and condition of the subject property. The Tribunal has taken into account these factors:
 - There is no separate bathroom only a WC without a wash hand basin.
 - The only bathing facilities is the shower unit situated in the kitchen.
 - The kitchen facilities are basic and situated in a corridor.
 - The property has no central heating.
 - The Tenant has provided all furniture, floor and window coverings and white goods, which would usually be provided by a landlord in the open market.
- 26. These are significant disadvantages, with the poor configuration of the bathroom and kitchen facilities being particularly unusual. The attractiveness of the property and therefore the rent that would be achievable would be impaired and the Tribunal has made a 40% discount to the assumed open market rent to reflect the actual amenities and condition of the property.
- 27. The provisions of section 70(2) of the Rent Act 1977 in effect require the elimination of what is called "scarcity". The required assumption is of a neutral market. Where a Tribunal considers that there is, in fact, substantial scarcity, it must make an adjustment to the rent to reflect that circumstance.
- 28. The decision of the High Court in Yeomans Row Management Ltd v London Rent Assessment Committee [2002] EWHC 835 (Admin) requires us to consider scarcity over a wide area rather than limit it to a particular locality. Greater London is now considered to be an appropriate

- area to use as a yardstick for measuring scarcity and it is clear that there is a substantial measure of scarcity in Greater London.
- 29. The Tribunal has relied on its own knowledge and experience of the supply and demand for similar properties on the terms of the regulated tenancy (other than as to rent) and in particular to unfulfilled demand for such accommodation. In doing so, it found that there was substantial scarcity in Greater London and therefore made a further deduction of **20%** from the adjusted market rent to reflect this element.
- 30. The full valuation is shown below:

Per calendar month			ndar month
MARKET RENT			£2,000
Less			
Tenant's provision of white goods, furniture, etc)		
No central heating)	approx. 40%	£800.00
Inadequate kitchen/bathroom facilities)		
Market rent less deductions			£1,200.00
Less £27.71 per month for services			£1,172.29
Less scarcity		approx. 20%	£234.46
Market rent less deductions, services and scarcity	7		£937.83
Plus £27.71 per month for services			£965.54
ADJUSTED MARKET RENT			£965

31. The Tribunal determines a rent of £965 per calendar month.

Decision

- 32. For the reasons given above, the Tribunal has arrived at an initial fair rent value of **£965 per calendar month**.
- 33. The capped rent for the property according to the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 is calculated at £1,084.50 per calendar month. Details of the maximum fair rent calculations are provided with the notice of our decision.
- 34. Accordingly, as the lower amount, the sum that will be registered as a fair rent with effect from **2 July 2025** is **£965** per calendar month.

Chairman: Ms S Beckwith MRICS Date: 2 July 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 a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the Firsttier Tribunal at the Regional Office which has been dealing with the case. The application should be made on Form RP PTA available at https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber

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. Please note that if you are seeking permission to appeal against a decision made by the Tribunal under the Rent Act 1977, the Housing Act 1988 or the Local Government and Housing Act 1989, this can only be on a point of law.

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