FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BK/F77/2025/0195**
Property	:	**Flat 7 Dibdin House, Maida Vale, London, W9 1QG**
Applicant	:	**Mr. Smith & Mrs. Denise Smith**
Representative	:	**None**
Respondent	:	**Grainger Invest No. 1 LLP**
Representative	:	**None**
Date of application	:	**10 January 2025**
Type of application	:	**Determination of the registered rent under Section 70 Rent Act 1977**
Tribunal members	:	**Mr I B Holdsworth MSc FRICS MCIArb RICS Registered Valuer 0079475**
Venue	:	**Remote**
Date of decision	:	**28 August 2025**

DECISION

Background

1 An application was made to the Rent Office for the registration of a fair rent on 10 January 2025. The registered rent was challenged by the Tenant to this application and the Rent Officer has requested the matter be referred to the Tribunal for determination.

2 Directions were issued to both parties following receipt of the objection.

3 No request for an oral hearing was made by either party.

4 A hearing was not held to discuss the application and written submissions on this matter.

5 An inspection of the property was not carried out.

6 Prior to the hearing, the parties were invited to submit relevant information on market rents in the area for similar properties. They were also invited to offer any details of property dilapidation, repairs or improvements made to the property by either the Landlord or Tenant.

7 The parties were invited to provide a full description of the property on a reply form provided to them by the Tribunal. No details were provided.

Property Description

8 The property is a flat. The accommodation comprises:

Lounge, Kitchen, 3 bedrooms, Bathroom/Wc.

Reported defects and obsolescence

9 Both parties reported no specific defects to the property in their submissions.

10 The condition of the property is a material consideration when carrying out a fair rent determination. The Tribunal has also had regard for any dilapidation and obsolescence at the property.

Market rental evidence

11 The Landlord provided details of comparable market rents of similar property in the locality. The Tribunal has had regard for any relevant information submitted.

The law

12 When determining a fair rent the Tribunal, in accordance with the Rent Act 1977, section 70, ('the Act'), it 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.

13 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.

14 The Market Rents charged for assured tenancy lettings often form appropriate comparable transactions from which a scarcity deduction is made.

15 These Market Rents are also adjusted where appropriate to reflect any relevant differences between those of the subject and comparable rental properties.

16 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.

17 **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. The article 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.

Valuation

18 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. It did this by having regard to their general knowledge of market levels in this area of London.

19 This hypothetical rent is adjusted as necessary to allow for the differences between the terms and conditions considered usual for such a letting and the condition of the actual property at the date of the inspection. Any rental benefit derived from Tenant's improvements is disregarded. It is also necessary to disregard the effect of any disrepair or other defects attributable to the Tenant or any predecessor in title.

20 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. In the present case neither party provided evidence with regard to scarcity.

21 The Tribunal then considered the decision of the High Court in **Yeomans Row Management Ltd –v– London Rent Assessment Committee [2002] EWHC 835 (Admin)**, which required it to consider scarcity over a wide area rather than limit it to a particular locality. West 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 West London.

22 Assessing a scarcity percentage cannot be a precise arithmetical calculation. It can only be a judgement based on the years' of experience of Members of the Tribunal. The Tribunal therefore relied on its own combined knowledge and experience of 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, the Tribunal found there was substantial scarcity in the locality of West London and, therefore, made a further deduction of 20%.

The valuation of a fair rent is an exercise that relies upon relevant Market Rent comparable transactions and property specific adjustments. The fair rents charged for other similar properties in the locality do not form relevant transaction evidence.

23 The Tribunal has had regard for any comparable transaction rental evidence presented by the parties. They have relied upon their knowledge and experience of Market Rents in the locality to determine the appropriate Market Rent for this property to be used in the fair rent calculation.

24 Table 1 below provides details of the fair rent calculation:

Property:	**Flat 7 Dibdin House, Maida Vale, London, W9 1QE**			
Fair rent calculation in accordance with *s(70) Rent Act 1977*				
Market rent	£650.00	per week		
Disregards		Deduction per week	as % of rent per week	
Carpets , curtains white, goods, soft furnishing		£32.50	5.00%	
Internal decoration liability		£32.50	5.00%	
Dilapidations and obsolesence		Deduction per week	as % of rent per week	
None advised		£0.00		
Improvements undertaken by tenant		Deduction per week	as % of rent per week	
None advised				
	Total deductions	£32.50	10.00%	
	Adjusted Rent balance	£617.50		
Less Scarcity 20.00%		£123.50		
Adjusted Market Rent		£494.00	per week	Uncapped rent
Capped rent in accordance with *Rent Acts (Maximum Fair Rent) Order 1999*		£ 316.50	per week	Capped rent

Decision

25 The Rent Acts (Maximum Fair Rent) Order will apply to this determination. The uncapped fair rent initially determined by the Tribunal for the purposes of Section 70 is £494 per week by virtue of the Rents Act (Maximum Fair Order) 1999 the maximum fair rent that can be registered for this property is £316.50 per week.

26 Details of the maximum fair rent calculations were provided with the original Notice of Decision. The statutory formula applied to the previously registered rent is at Appendix A.

27 Accordingly, the sum that will be registered as a fair rent with effect from 28 August 2025 is **£316.50 per week**.

Name: Ian Holdsworth **Date:** 28 August 2025
Valuer Chairman

Appendix A
The Rents Act (Maximum Fair Rent) Order 1999

2 (1) Where this article applies, the amount to be registered as the rent of the dwelling-house under Part IV shall not, subject to paragraph (5), exceed the maximum fair rent calculated in accordance with the formula set out in paragraph (2).

(2) The formula is:

$$MFR = LR\left[1 + \frac{(x-y)}{y} + P\right]$$

where:

- 'MFR' is the maximum fair rent;
- 'LR' is the amount of the existing registered rent to the dwelling-house;
- 'x' is the index published in the month immediately preceding the month in which the determination of a fair rent is made under Part IV;
- 'y' is the published index for the month in which the rent was last registered under Part IV before the date of the application for registration of a new rent; and
- 'P' is 0.075 for the first application for rent registration of the dwelling-house after this Order comes into force and 0.05 for every subsequent application.

(3) Where the maximum fair rent calculated in accordance with paragraph (2) is not an integral multiple of 50 pence the maximum fair rent shall be that amount rounded up to the nearest integral multiple of 50 pence.

(4) If $\frac{(x-y)}{y} + P$ is less than zero the maximum fair rent shall be the y existing registered rent.

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 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 (ie, 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).