FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/33UC/F77/2025/0025**
HMCTS code	**:**	**P:PAPERREMOTE**
Property	**:**	**78 Desmond Drive, Old Catton, Norfolk NR6 7JR**
Applicant (Landlord)	**:**	**Orbit Housing Association**
Respondent (Tenant)	**:**	**Mrs M Miller**
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	**:**	**7 November 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.

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Decision

The Tribunal determined a Fair Rent inclusive of the Service Charge of £167.69 per week effective from 7 November 2025.

Reasons

Background

1. The Landlord made an application dated 30 April 2025 to register the rent of the Property at £168.81 per week. This was stated to be inclusive of a variable Service Charge of £7.31 per week. The net rent applied for was therefore £161.50 per week which is equivalent to £699.83 per month.

2. The Rent Officer registered a Fair Rent of £705 per month on 26 June 2025 effective from 4 August 2025 inclusive of £13.75 per month in respect of Service Charges resulting in a net monthly rent of £691.25 per month. This was in lieu of the previous registered rent of £665 per month, excluding Service Charge which was registered on 26 June 2023 and effective from 4 August 2023.

3. The Landlord submitted an objection dated 2 July 2025.

4. The Tribunal issued Directions on 28 July 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.

Preliminary Matters

5. The Tribunal understand that, whilst not explicitly stated, the Landlord is a Registered Social Landlord/Registered Provider such that the Property is occupied on a Social Rent tenancy rather than a Rent Act tenancy.

6. In these circumstances, the Fair Rent determined by the Tribunal is effectively a cap beyond which the rent to be charged by the Landlord may not go but is not the rent to be charged. In effect, the Fair Rent is informative rather than strictly determinative of the rent to be charged by the Landlord.

7. In this regard, the Tribunal is aware that the Regulator of Social Housing issued the publication "Limit on annual rent increases 2025-26" in December 2024 which provides that the maximum increase in social rent for the period of 2025-26 is 2.7%.

8. This document is available at:

   https://www.gov.uk/government/publications/limit-on-annual-rent-increases-2025-26-from-april-2025

9. This means that, irrespective as to what this Tribunal determines in respect of the Fair Rent, the Landlord cannot, on the assumption that the Tenant is

occupying the Property on the basis of a social rent tenancy, increase the rent by more than 2.7% on this occasion.

The Property

10. The Tribunal did not inspect the Property but has relied upon information available in the public domain together with the documents provided by the Rent Officer.

11. The Tribunal understands that the Property comprises a 3-bedroom semi-detached house of brick and tile construction with a garden to the rear. The Property benefits from central heating and double glazing, but the carpets, curtains and White Goods are provided by the Tenant.

The Law

12. 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).

13. 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."

14. 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 sub-tenant of his."

15. In addition, section 70 (2) of The Act requires the Tribunal to assume:

"that the number of persons seeking to become tenants of similar dwelling-houses 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."

16. 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.

17. 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)."*

18. 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."*

19. Section 71 (1) of the Act provides that the registration of the rent takes effect from the date that the Tribunal makes its decision.

20. 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.

21. 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

22. The Tenant completed a Reply Form and advised that she *"…have no dispute with the rent…"*

Representations –Landlord

23. The Landlord's appeal concerned the amount of the Service Charge assumed by the Rent Officer and included within the Registered Rent.

24. The Landlord contended for a Service Charge of £7.31 per week (£31.66 per month) but the Rent Officer had adopted £3.17 per week (£13.75 per month).

25. The Landlord, in support of their contention, provided a Budget Statement 2025/26 which detailed an estimated Service Charge budget of £7.31 per week (£31.67 per month) of which £2.16 per week (£9.40 per month), comprises the Management Fee.

26. The Landlord also submitted a Year End Statement 2023/24 which detailed actual expenditure of £2.28 per week. This did not include a Management Fee.

27. No details were submitted in respect of 2024/25.

28. The Landlord did not submit any representations in respect of the rent net of the Service Charge.

Determination

29. It is apparent from the Representations that the Landlord only disputes the Service Charge element as decided upon by the Rent Officer.

30. In this regard, the Rent Officer adopted the actual total expenditure of £118.95 as stated for Year End 2023/24 and applied an uplift of 15% to calculate an annual budget of £136.79 for Year End 2025/26. This compares to the Landlord's annual budget of £267.07. As such, the Rent Officer's assessment of the Service Charge is 51.2% of that contended for by the Landlord.

31. There was no amount stated in respect of Management Fees within the Year End Statement for 2023/24. However, the Landlord proposed an annual Management Fee of £112.82 for 2025/26. Whilst the Rent Officer accepted that a Management Fee was reasonable, it adopted an annual amount of £28.21 per property (i.e., 25% of that contended for by the Landlord).

32. The Rent Officer therefore adopted an annual Service Charge of £165 (i.e., £136.79 plus a Management Fee of £28.21) compared to the Landlord's estimate of £379.90 (i.e., £267.07 plus Management Fee of £112.82.

33. There is no evidence as to the basis for the Rent Officer's approach and conclusions. Furthermore, the Tenant has not made any comments nor taken any part in these proceedings. There is therefore no evidence for the Tribunal to consider other than that provided by the Landlord.

34. However, it is important to stress that this reference was made pursuant to the Rent Act 1977 whereas Service Charge challenges fall within the ambit of the Landlord and Tenant Act. The Tribunal therefore considers that, in the absence of any compelling evidence to credibly challenge the evidence provided by the Landlord, the Tribunal should rely upon the estimates of the Landlord for the purposes of this reference. This does not preclude the Tenant having recourse to the Landlord and Tenant Act 1985 under a separate reference to the Tribunal.

35. The Tribunal has therefore included the full amount of the budgeted **Service Charge (i.e., £7.31 per week)** within the Registered Rent as set out below. Having established this, the Tribunal now needs to determine the Fair Rent prior to the addition of the Service Charge.

36. In assessing the Fair Rent net of the Service Charge, 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.

37. 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.

38. 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.

39. 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.

40. 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, if fully redecorated, modernised and refurbished with modern kitchen and bathroom facilities, attract a rent in the region of £900 per month which equates to £207.70 per week.

41. However, this is before account is taken of the need to disregard the Tenant's improvements. The Tribunal has therefore deducted 2.5% each for carpets and curtains, 5% on account of the basic kitchen and bathroom, and 5% to reflect that the Tenant has taken responsibility for the decoration.

42. 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.

43. Having fully considered all matters relevant to this case, the Tribunal therefore considers the Fair Rent to be £695 per month which equates to £160.38.

44. The provisions of the Rent Acts (Maximum Fair Rent) Order 1999 require that the registered rent be either the capped Fair Rent, details of which are attached to this Decision, or the Fair Rent.

45. 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.

46. The Tribunal notes that the previous net rent detailed on the Rent Register was £649.79 per month effective from June 2023. The calculated capped net rent as at the date of this Determination is therefore £734.50 per month.

47. The Fair Rent is below the Capped Net Rent. Therefore, the **Fair Rent of £167.69 per week (i.e., Net Fair Rent of £160.38 per week plus the Service Charge of £7.31 per week.)** The Tribunal also directs that the revised Rent takes effect from the date of this Determination.

48. As set out above, this Determination is only in respect of the Fair Rent to be registered which may not be the same as the actual rent to be paid following the application of, amongst other matters, the Rent Standard.

Name: Peter Roberts FRICS CEnv **Date:** **7 November 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).

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