FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**JD/LON/00AG/F77/2026/0166**
Property	**:**	**Flat 17 Greenhill, Prince Arthur Road, London NW3 5UB**
Tenant	**:**	**Mr D Merricks**
Landlord	**:**	**Mountview Estates P.L.C**
Date of Objection	**:**	**23 July 2026**
Type of Application	**:**	**Determination of the registered rent under Section 70, Rent Act 1977**
Tribunal Members	**:**	**Judge S Agnew** **P Joseph MRICS**
Date and venue of Consideration	**:**	**10 Alfred Place, London WC1E 7LR** **21 October 2026**
Date of Decision	**:**	**21 October 2026**

DECISION

The sum of £6,497 per quarter will be registered as the fair rent with effect from 21 October 2026, being the date the Tribunal made the Decision.

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FULL REASONS

Background

1. The landlord submitted an application, dated 15 May 2026, to register a fair rent of £6429 per quarter.

2. The rent had previously been registered by the Tribunal on 29 November 2023 at £5,590 per quarter with effect from that date.

3. Following the landlord's application dated 15 May 2026, the tenant requested a consultation with the Rent Officer, which took place on 8 July 2026.

4. On 14 July 2026 the Rent Officer registered a fair rent of £6,263.95 per quarter with effect from 14 July 2026.

4. By an email dated 23 July 2026, the tenant objected to the rent determined by the Rent Officer and the matter was referred to the First-tier Tribunal.

5. On 11 August 2026 the Tribunal issued directions setting out the timetable and the steps the parties were required to take in preparation for the determination of this case.

6. The tenant submitted a reply form, in which he indicated that he wished a hearing to be held in this matter and for the property to be inspected.

7. The landlord did not submit a reply form. On 17 August 2026, it wrote to the Tribunal, to acknowledge receipt of the directions. It stated that it had nothing further it wished to add and would await the Tribunal's decision.

8. The property is described in the Rent Register as a self-contained purpose-built flat (c 1800-1918) with full central heating, situated on the third floor and with accommodation comprising: three rooms, kitchen, bath/wc and separate wc.

Evidence and Hearing

9. The hearing took place on 21 October 2026. The tenant attended the hearing in person. The landlord did not attend the hearing nor did it send a representative. It did not make any written submissions or provide any evidence of comparable properties.

10. In considering the fair rental value of the Property, the Tribunal has taken into consideration all the oral and documentary evidence before it, as well as the condition of the property on inspection.

11. The landlord's application form states that the tenancy commenced on 10 November 1969 and the landlord is responsible for external repairs, while the tenant is responsible for internal repairs.

12. The Rent Officer's valuation notes mention the tenant's responsibility for internal decoration but say nothing about responsibility for internal repairs.

13. When asked who is responsible for internal repairs and decoration, the tenant confirmed that he is responsible for internal decoration. As regards internal repairs, he said he was not sure but that he tended to fix things, as and when required.

14. In light of the landlord's statement in its application form and the tenant's evidence, the Tribunal determines that the tenant is responsible for internal repairs.

15. The Tribunal heard from the tenant in relation to the initial condition of the property, the improvements he has made to it, its current condition and value.

16. The tenant begain by explaining that he moved into the property in 1972, and he then gave some historical detail about the lease arrangements.

17. As to the condition of the property and/or improvements he has made to it, the tenant says that:

- The property still has 1930s cupboards and the same radiators, which are not very efficient but look quite nice. The separate wc contains the original toilet from the 1930s.

- He provided all the window coverings and floor coverings for the property. He put in the carpets when he moved in and has replaced them twice.

- The windows in the property are not double-glazed and the radiators are fine for 80-90% of the time but not in cold weather, so he also installed a gas fire in the living room.

- He supplied all the white goods to the kitchen. However, five or six years ago the landlord refurbished the kitchen, replacing all the kitchen cupboards, retiling the kitchen and putting in an oven (to which the tenant had to contribute £150 in order to get the specification he wanted).

- He provided the bath, wash basin, cupboards and mirrors. Five years ago, the landlord replaced the toilet in the bathroom and retiled half of it. The bathroom has been repainted once by the landlord.

- He has asked the landlord to rewire the property. This has not been done but new sockets were put in the kitchen and a new fuse box was installed.

18. As far as defects/disrepairs are concerned, the tenant refers to a copper tube/pipe for the gas fire, which runs along the kitchen ceiling and through the adjoining wall to the living room. This was installed by the landlord after the gas fire developed a leak and the original piping needed replacement. The tenant confirmed that the copper piping was to supply the gas to the kitchen. He felt that the landlord did not do a great job with this.

19. The tenant said that there has been no investment by the landlord in the property over the last seven years. He added that his wife does not think the property is in great condition, but he thinks it is adequate and although he could spend money on it, he does not see that he is obliged to do so.

20. The tenant confirmed that there is a communal service for the gas supply but he pays for the council tax. He also confirmed that the rent includes hot water and heating, adding that the heating comes on at the start of October and goes off on 1 March each year.

21. The tenant also made some points about value as follows:

- When he bought the lease he was hoping he would have some security, and he has some concerns about whether the statutory maximum fair rent calculation operates fairly, as the balance has unfairly swung too far in favour of landlords. The rent for the property has been ratcheted up each year with the formula.

- He obtained a rental valuation from Foxtons on 14 July 2026, which was in evidence before the tribunal. This report suggested that a market rent of £475 per week, equivalent to £6,175 per quarter, could be achieved for the property. He pointed out that this is less than the rent registered by the Rent Officer. The tenant confirmed that Foxtons visited the property and spent about 20 minutes there looking around it and measuring it up. He added that the agent was familiar with the block, and the size of each flat in the block is identical, the only difference being that some of the ground floor units were more recently decorated, the views and the standard of decoration. The agent was also aware that the rent includes hot water and heating.

22. The Tribunal asked if the ground floor flats are similar larger. The tenant replied that they are smaller with a box room. All the other flats follow the same layout, with a single living room (no separate dining area) and no en suite bathrooms.

23. The Tribunal explained that in its general knowledge and experience, rents for similar properties range from in the region of £8,255 per quarter through to £8,996 per quarter. It asked the tenant whether he wished to say anything about this.

24. The tenant did not dispute these figures and said that they did not seem unreasonable to him. However, he added that when agents take over properties they tend to spend money doing them up. He has not done that and if he had, he would undoubtedly get a higher rental. He said that the higher up the flat is in a block, the better rent it attracts because of the view and the lift. He added that flats around the other side of the block have greater access to the communal gardens.

25. The tenant submitted that under section 70, the age, character, locality and state of repair of the property should be taken into account, and the Tribunal should consider what the property might attract on the open market taking into account the actual condition. He added that the property should not be valued as if refurbished to a higher standard. He submitted that the Tribunal should take the starting point of the open market rent for the property in its actual condition. The Tribunal explained that when assessing the fair rent, it takes into account open market rental values, the condition of the property and what the tenant has done to it.

Inspection

26. The Tribunal inspected the property on 21 October 2026 in the company of the tenant, Mr Merricks. No representative of the landlord was in attendance.

27. The property is a purpose-built flat situated on the third floor of a large apartment block on a busy road in Hampstead Village. The common parts are in good condition. The flat benefits from a lift and access to the block's communal gardens. The flat is accessed off an external landing.

28. The property has full central heating but the windows are single-glazed. The radiators are of an older style.

29. The accommodation comprises an internal hallway which contains two inbuilt storage cupboards and an airing cupboard. Off the hallway, there are two bedrooms, a living room with dining area, a kitchen, a bathroom/wc and a separate wc. From the kitchen, a fire door leads onto the external staircase to the building.

30. Overall, the property is in reasonably good condition, although the décor is a little tired. There is some peeling paint in the airing cupboard. The kitchen is small but in reasonably good condition. Part of the frame for the door between the kitchen and hallway is missing. There is an exposed copper pipe running along the wall above the kitchen door

frame into and across the adjoining wall within in the living room. The living room with dining area is large with several sash windows and a good aspect. Some paint is peeling under one of the windows but it is otherwise in good condition. The bathroom is dated, with a shower over the bath, and the paint is blistering on one wall near the window. Otherwise it is in good condition. The separate wc contains an old toilet but the room is nicely painted. The main bedroom is in good condition with a good view towards Hampstead Heath. The second bedroom is also in good condition, with some marks on the internal wall that adjoins the hallway. There is some hairline cracking in the ceiling of the second bedroom, but this is not of any concern as it is just the normal settlement of the building materials.

The Law

31. When determining a fair rent the Tribunal, in accordance with section 70 of the Rent Act 1977 (the 1977 Act), carries out a valuation of the property. In doing so, it has regard to all the circumstances including the age, location and state of repair of the property. It disregards 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.

32. In *SpathHolme 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 that:

    (a) 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) 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).

33. The Tribunal must then carry out an assessment under the Rent Acts (Maximum Fair Rent) Order 1999 (the 1999 Order). The 1999 Order provides the framework that places a ceiling on the maximum rent that can be registered. The calculation is based upon a formula that applies an increase in the monthly United Kingdom Index of Retail Prices to the previously registered rent.

Determination and Valuation

34. The Tribunal initially needs to determine 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. In doing this, the Tribunal considers the rental value of the property. It does not consider the personal circumstances of the tenant, as that is not a relevant factor for the purposes of section 70.

35. The Tribunal considered carefully the rental valuation report provided by Foxtons to the tenant. This offered an opinion of what the property could potentially let for but it did not include any detailed explanation of the valuation and was not supported by comparable evidence. Therefore, whilst it was of some interest, the Tribunal places little weight on it.

36. In the general knowledge and experience of the Tribunal, properties of this type and location achieve rents in the range of £8,255-£8,996 per quarter. The tenant did not dispute that these figures were reasonable. These figures would not include utilities. Applying its own expert, general knowledge of rental values in the area, the Tribunal considers that the open market rent for the property in satisfactory condition (including an element for the provision of utilities) would be in the region of £9,600 per quarter.

37. The next question is to consider whether any adjustments need to be made to the open market rent to reflect: (i) the condition of the property, but disregarding any improvements by the tenant other than those in accordance with the tenancy; and (ii) scarcity.

38. The Tribunal determines that the open market rent should be adjusted downwards to take account of the following factors.

    (i) The terms and conditions of the tenancy according to which the tenant is responsible for internal repairs and decoration, as this is more onerous than the position under contemporary tenancies and would negatively impact the amount a prospective tenant would offer for the property. The Tribunal determines that a 10% deduction should be made for this.

    (ii) The fact that the tenant supplied floor coverings, window coverings and white goods, the bath, mirror and wash basin in bathroom and the gas fire in living room. The Tribunal determines that a 5% deduction should be made for this.

    (iii) The fact that at this level of rent a prospective tenant could expect the property to be in better condition than it is. The Tribunal determines that a deduction of 5% should be made to reflect the general condition of the property (including eg the dated bathroom, the unmodernised wc and the unsightly copper pipe).

39. Finally, the issue of scarcity must be considered. Neither party provided the Tribunal with any specific evidence on this issue. The issue of scarcity is considered with regard to of the number of properties available to let and the demand for such properties, and over a very large area. Using its knowledge and experience the Tribunal considers that in the wide geographical area of Greater London there is an imbalance between supply and demand which impacts rental values. Accordingly the Tribunal determines that a deduction of approximately 20% should be made for scarcity.

40. The service charge element of the rent is to be deducted before adjusting for scarcity, and it is then added back in afterwards. This is because scarcity applies to rent (which is market led), but it has nothing to do with service charges (which relate to the recovery of costs).

41. The Tribunal notes that the Rental Officer's calculations show that the tenant's share of the global service costs for the building is £1,766.11 per quarter. The calculations separately note the tenant's share of the gas charges as £483.58 per quarter. However, it is clear from the Rent Officer's calculations that the global service costs include the global costs of electricity and gas. Therefore only the sum of £1,766.11 needs to be deducted before adjusting for scarcity, and added back in afterwards. However, both the service charges and fuel charges are noted separately in the decision form.

42. The full valuation is shown below:

Market Rent		£9,600 per quarter
Less		
T's repairing and decorating liability	)10%	
Supply of curtains, carpets, white goods, bath, mirror, wash basin, gas fire	) 5%	
General condition of property (including dated bathroom)	) 5%	
Total adjustments	20%	- £1,920.00
Net market rent		£7,680.00
Deduct service charge (includes electricity and gas)		-£1,766.11
Adjusted rent exclusive of services		£5,913.89
Less		
Scarcity	approx. 20% of adjusted rent exclusive of services	- £1,182.78

Net market rent adjusted for scarcity	£4,731.11
Add back in service charges	+ £1,766.11
Uncapped fair rent	£6,497.22 per quarter
rounded down to	£6,497 per quarter

Decision

43. The uncapped fair rent for the property, determined by the Tribunal for the purposes of section 70, was £6,497 per quarter.

44. The capped rent for the property according to the provisions of the Rent Acts (Maximum Fair Rent) Order 1999 is calculated at £6,526 per quarter. The calculation of the capped rent is shown on the decision form.

45. In this case the lower rent of £6,497 per quarter is to be registered as the fair rent or this property. This includes an amount for service charges of £1,766.11 (including gas costs of £483.58).

46. Accordingly the sum of £6,497 will be registered as the fair rent with effect from 21 October 2026 being the date of the Tribunal's decision.

Chairman: Judge S Agnew

Date: 21 October 2026

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 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).