## Notice of the Tribunal Decision

Rent Act 1977 Schedule 11

Address of Premises


The Tribunal members were

Mrs E Flint FRICS

## Landlord

Tenant

1. The fair rent is
$£ 10240$
2. The effective date is
3. The amount for services is

## Ms S. Watts


(excluding water rates and council tax but including any amounts in paras 3\&4)

24 September 2021

4. The amount for fuel charges (excluding heating and lighting of common parts) not counting for rent allowance is

not applicable
5. The rent is not to be registered as variable.
6. The capping provisions of the Rent Acts (Maximum Fair Rent) Order 1999 apply (please see calculation overleaf).
7. Details (other than rent) where different from Rent Register entry
$\square$
8. For information only:

The fair rent to be registered is not limited by the Rent Acts (Maximum Fair Rent) Order 1999, because it is below the maximum fair rent of $£ 11245.50$ per year prescribed by the Order.


## MAXIMUM FAIR RENT CALCULATION



First application for re-registration since 1 February 1999 NO

Rounded up to nearest $50 \mathrm{p}=£ 11245.50$

| Variable service charge | NO |
| :--- | ---: |
| If YES add amount for services | $\square$ |
|  |  |


| MAXIMUM FAIR RENT $=$ | £11245.50 | Per | year |
| :---: | :---: | :---: | :---: |

## Explanatory Note

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:
(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.
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 Tribunal'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.


| Case Reference | $:$ | LON/OoAC/F77/2021/0189 <br> V:CVPREMOTE |
| :--- | :--- | :--- |
| Property | $:$ | 34A Golders Way London NW11 8JX |
| Applicant | $:$ | Miss S S Watts |


| Date of Application | $:$ | 23 February 2021 |
| :--- | :--- | :--- |
| Type of Application | $:$ | Determination of the registered rent under <br> Section 7o Rent Act 1977 |

: Mrs E Flint DMS FRICS
FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)
Respondent : Mr F Bajraj

Tribunal
Date and venue of hearing

Case Reference

Respondent : Mr F Bajraj

Type of Application
: 24 September 2021 remote video hearing

## DECISION

The registered rent with effect from 24 September 2021 is $£ 10240$ per year.

This has been a remote video hearing which has been consented to by the parties. The form of remote hearing was V:CVPREMOTE. A face to face hearing was not held because it was not practicable and all the issues could be determined by a video hearing and written submissions. The documents that I was referred to are in an electronic bundle, the contents of which I have recorded.

## Background

1. On 1 December 2020 the landlord applied to the rent officer for registration of a fair rent of $£ 1100$ per month for the above property.
2. The registered rent at the date of the application was $£ 9464$ per year which had been registered by the Tribunal on 17 February 2017 with effect from the same date.
3. On 5 February 2021, the rent officer registered a fair rent of $£ 10,889.50$ per year with effect from the same date.
4. On 23 February 2021 the tenant objected to the registered rent.
5. Directions were issued and owing to the Covid 19 restrictions the parties were asked if they would consent to the application being dealt with on the papers or via a video hearing. The landlord requested a video hearing. Written representations were received from both parties prior to the hearing.

## The Evidence

6. The property, which is situated in Golders Green above a cafe is approached via a service road for the commercial premises in Golders Green Road. Access to the flat is via an external metal staircase leading to the common parts of the residential upper parts of the building. The accommodation comprises three rooms, kitchen, and bath/wc.
7. The tenant referred to the very poor condition of the flat and provided a number of photographs to illustrate her points. She has lived in the flat for 39 years. It has not been modernised, there are a limited number of power points, the single glazed windows are ill fitting and draughty, the water pressure is variable, the lock on the entrance door to the building is broken and consequently she does not feel safe as anyone can gain entrance to the hallway. The flat is damp: there have been leaks from the flat above which is occupied by the landlord and his family.
8. The tenant had provided the carpets, curtains and white goods.
9. There was very poor noise insulation between the flat above and her flat. Moreover music was played in the café until very late, sometimes as late as midnight which disturbed her sleeping.
10. Miss Watts said that she was of the opinion that the rent for the flat in its current condition was between $£ 2250$ and $£ 2500$ per quarter. She disputed that she had prevented the landlord from carrying out repairs. However, she
did confirm that she was not willing to move out to allow the landlord to redecorate.
11. The landlord confirmed that the flat is not modernised and said it was in very bad condition because the tenant was not willing to give him access to carry out any repairs. He had suggested that if she moved out for a week he would redecorate the entire flat.
12. The landlord said that the tenancy agreement specifically referred to the ground floor being occupied as a restaurant, Miss Watts had known this when she moved in 39 years ago. He acknowledged that he had been in the flat and that he had done nothing in terms of works to the subject flat or the common parts since moving into the café and flat above about 6 years ago. He said that the entrance door lock was broken when he moved in: he had not replaced it.
13. He had researched rental values in the area: a modernised flat in good condition would be worth $£ 1600$ per month. He thought the condition of the subject flat would reduce the rent to $£ 1300$ per month.

## Valuation

14. 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. As neither party had provided any rental evidence supported by comparables rather than just their own estimation, I relied on my general knowledge of rental values in Golders Green. I am of the opinion that $£ 1600$ per month is the rental value of a flat within a purpose built block in good condition. However, the subject is located above a café with an entrance from a rear service road. I have concluded that the likely market rent for this flat, modernised and in good repair let on an assured shorthold tenancy would be $£ 1400$ per month. The rent is an annual rent payable quarterly: the annual equivalent is $£ 16,800$.

15 . However, it was first necessary to adjust the hypothetical rent of $£ 16,8$ oo per year to allow for the differences between the terms and condition considered usual for such a letting and the condition of the actual property at the valuation date, ignoring any tenant's
improvements, (disregarding the effect of any disrepair or other defect attributable to the tenant or any predecessor in title). Properties available on the open market were generally modern or modernised, in good repair and double glazed with white goods, floor and window coverings. I consider that the condition of the subject flat is poor due in part from the fractious relationship between the landlord and tenant. Both parties said they had involved the local authority and courts in the past.
16. I determined that the hypothetical rent of $£ 16,8$ oo should be reduced by $£ 4,000$ to reflect the unmodernised condition with previous areas of water ingress not having been made good, the tenant's obligations under her lease and the lack of white goods, floor and window coverings. The adjusted rental value is $£ 12,8$ oo per year. I was of the opinion that there was substantial
scarcity in London for similar properties and therefore made a deduction of approximately $20 \%$ from the market rent to reflect this element. The Tribunal's uncapped fair rent is $£ 10,240$ per year.

## Decision

17. The uncapped fair rent initially determined by the Tribunal, for the purposes of section 70, was accordingly $£ 10,240$ per year.
18. This is below the maximum fair rent that can be registered by virtue of the Rent Acts (Maximum Fair Rent) Order 1999 (Details are provided on the back of the decision form).
19. Accordingly the sum of $£ 10,240$ per year will be registered as the fair rent with effect from 24 September 2021 being the date of the Tribunal's decision.

Chairman: Evelyn Flint

Dated: 24 September 2021

## ANNEX - RIGHTS OF APPEAL

i. 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.
ii. 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.
iii. 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.
iv. 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.

