



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **KA/LON/OOBE/MNR/2019/0126**

Property : **322 Commercial Way, London SE15
1QN**

Applicant : **Mr Daniel A Quarrington (Tenant)**

Represented : **Not represented**

Respondent : **BPT (Bradford Property Trust)
Limited (landlord)**

Represented : **Not represented**

Date of Application : **20th September 2019**

Type of Application : **Determination of the market rent
under Section 13(4) of the Housing
Act 1988**

Tribunal : **Mr Ian B Holdsworth FRICS MCI Arb
Mr Leslie Packer**

**Date and venue of
Determination** : **29 November 2019
10 Alfred Place, London WC1E 7LR**

DECISION

The rent payable from 1 October 2019 is £750 per month

Background

1. The landlord issued a Notice on 28 August 2019 proposing a new rent under an assured periodic tenancy at 322 Commercial Way, Peckham, London SE15 1QN. They proposed that the current rent passing at the property of £800 per month be increased to £880 per month with effect from 1 October 2019.
2. The tenant made an application to the Tribunal undated but date stamped 20 September 2019 by the Property Chamber which requested a determination of the rent payment at the premises under the provisions of section 13(4) of the Housing Act 1988.
3. The Tribunal issued directions on 24 September 2019. These directions asked the parties to make any written submissions and submit any request for an oral hearing prior to 8 November 2019.
4. The landlord made a written submission to support their application for an increased rent. This included marketing details for three properties situated in the locality with asking rents. They also detailed the deductions made to reflect the acknowledged dilapidation at this property. Their written submission claimed that the property had a rental value of £1,550 per month after adjustments to reflect acknowledged dilapidation.
5. No written representation was received from the tenant.

Property inspection

6. The Tribunal inspected the property on 29 November 2019. The subject property is a semi-detached two-storey house. The dwelling was built in the mid 19th Century and is solid brickwork with render finish beneath a pitched and slated roof. At the rear is a two-storey brick built addition with a flat felted roof. The property has timber framed windows some with double-glazing.
7. The accommodation comprises: entrance hall, lounge, sitting room, kitchen, stairs leading to: bathroom/WC, first floor bedroom 1, bedroom 2 and bedroom 3.
8. There is a garden at the front and rear. Access to the rear garden is along a path adjacent to the right hand gable side of the property.
9. The property has all mains services including gas fired central heating.
10. We are told that all the furniture, white goods and floor coverings in the property are owned by the tenant. The tenant also confirmed that he had paid for the gas boiler replacement at the property, and not the Landlord.

Property dilapidation

11. The inspection revealed extensive rot to the external joinery, damaged and porous render to the external surfaces of the front and gable elevations.
12. There is a fracture to the gable elevation brickwork at the junction to the original and extension, with a vertical fracture in the masonry from ground level to a height of approximately 2m.
13. The Tribunal inspection also revealed penetrating and rising damp to the ground floor internal surfaces of the lounge, sitting room and kitchen. Extensive areas of damaged plasterwork were visible to the surfaces in all these rooms.
14. In the past the property had been upgraded with surface wiring. The surface finish to this wiring has impacted on internal decoration and appearance throughout the dwelling. At the time of the inspection there was a defective smoke alarm system which issued repeated alarm signals at short intervals. The elderly tenant told the Tribunal that he was not himself able to deal with the problem, which he had reported to the landlord, to no avail.
15. Of particular concern to the Tribunal was the condition of bedroom 1 with fractured plasterwork, damaged ceiling, distorted and inadequate doors and extensive rot to external joinery. The damp penetration was also visible to walls and ceiling of bedrooms 2 and 3.
16. The sanitary and kitchen fittings were dated and damaged.
17. The Tribunal assessed the overall condition of the property as below the minimum standards required to satisfy decent homes requirements. They had a particular concern for the health and well being of the elderly tenant, given the dampness of the whole house.

The law

18. The Tribunal must first determine that the landlord's notice under section 13(2) satisfied the requirements of that section and was validly served.
19. The Housing Act 1988, section 14 requires the Tribunal to determine the rent at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.

20. In so doing the Tribunal, is required by section 14(1), to ignore the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act.

21. A copy of the relevant legislation is at Appendix A.

Valuation

22. The Tribunal had regard to the comparable transaction rental evidence supplied by the landlord. They note that the rental evidence was for marketed property rather than let dwellings.

23. The landlord argues in their written submission that the market rent for the premises in “modernised/good condition” is £2,000 per month. They make deductions of £100 per month for the mix of single and double-glazed windows, £150 for the tenants supplied whitegoods, curtains, blinds, internal decorations and floor coverings and a further £200 per month for inhospitable conditions caused by penetrating dampness. They felt strongly this is a material rental valuation consideration.

24. After careful consideration of the evidence submitted the Tribunal decided the premises in the same condition as those available to let on the open market would have a rental value of £2,000 per month. This accords with the evidence submitted by the Landlord.

25. A series of deductions are made from this market rent and these are shown in Table 1 below:

| 322 Commercial Way Peckham SE151QN | | | |
|---|------------------|---------------------|--------|
| Market rent calculation in accordance with Housing Act 1988 Section 13 | | | |
| Market rent | | £2,000.00 per month | |
| Disregards | | | |
| Carpets, curtains, white goods, soft furnishings, floors | | £200.00 | 10.00% |
| Central heating boiler replacement | | £200.00 | 10.00% |
| Dilapidations | | | |
| Penetrating dampness at ground and first floor | | £650.00 | 32.50% |
| Dated kitchen | | £50.00 | 2.50% |
| Dated bathroom | | £50.00 | 2.50% |
| Failing plasterwork to all rooms | | £50.00 | 2.50% |
| General disrepair and dilapidation to exterior and interior including window frame rot and mix of glazing | | £50.00 | 2.50% |
| | Adjustment total | £1,250.00 | 62.50% |
| Adjusted Market Rent | | £750.00 per month | |
| | say | £750.00 per month | |

26. The Tribunal accordingly determined that a monthly rent of £750 is appropriate for this dwelling in present condition but excluding the benefit arising from any improvements by the tenant or the use of their household effects and furnishings.

Decision

27. The Tribunal first determined that the tenant's Notice under section 13(2) had satisfied the requirements of that section and was served in time. In coming to its decision on the rent the Tribunal applied the above law.

28. The decision of this Tribunal is based upon submitted written evidence and the information gained from its inspection.

29. The Tribunal determined that the benefit of tenant's goods is disregarded in assessment of the Market Rent in accordance with the provisions of the Housing Act.

30. Accordingly, the Tribunal determined that the rent at which this property in present condition, with disregarded tenants' household effects and the appropriate adjustment for disrepair might reasonably be expected to achieve on the open market is **£750 per month**.

31. This rent will take effect from 1 October 2019.

Valuer Chairman: Ian B Holdsworth

Dated: 2nd January 2020

Appendix A

Housing Act 1988

14 Determination of rent by rent assessment committee.

(1) Where, under subsection (4) (a) of section 13, a tenant refers to a rent assessment committee a notice under subsection (2) of that section, the committee shall determine the rent at which, subject to subsections (2) and (4) below, the committee consider that the dwelling-house concerned might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy—

- (a) which is a periodic tenancy having the same periods as those of the tenancy to which the notice relates;
- (b) which begins at the beginning of the new period specified in the notice;
- (c) the terms of which (other than relating to the amount of the rent) are the same as those of the tenancy to which the notice relates; and
- (d) in respect of which the same notices, if any, have been given under any of Grounds 1 to 5 of Schedule 2 to this Act, as have been given (or have effect as if given) in relation to the tenancy to which the notice relates.

(2) In deciding under this section, there shall be disregarded—

- (a) any effect on the rent attributable to the granting of a tenancy to a sitting tenant;
- (b) any increase in the value of the dwelling-house attributable to a relevant improvement carried out by a person who at the time it was carried out was the tenant, if the improvement—
 - (i) was carried out otherwise than in pursuance of an obligation to his immediate landlord, or
 - (ii) was carried out pursuant to an obligation to his immediate landlord being an obligation which did not relate to the specific improvement concerned but arose by reference to consent given to the carrying out of that improvement; and
- (c) any reduction in the value of the dwelling-house attributable to a failure by the tenant to comply with any terms of the tenancy.

(3) For the purposes of subsection (2)(b) above, in relation to a notice which is referred by a tenant as mentioned in subsection (1) above, an improvement is relevant improvement if either it was carried out during the tenancy to which the notice relates or the following conditions are satisfied, namely—

- (a) that it was carried out not more than twenty-one years before the date of service of the notice; and

(b) that, always during the period beginning when the improvement was carried out and ending on the date of service of the notice, the dwelling-house has been let under an assured tenancy; and

(c) that, on the coming to an end of an assured tenancy at any time during that period, the tenant (or, in the case of joint tenants, at least one of them) did not quit.

(4) In this section “rent” does not include any service charge, within the meaning of section 18 of the Landlord and Tenant Act 1985, but, subject to that, includes any sums payable by the tenant to the landlord on account of the use of furniture or for any of the matters referred to in subsection (1) (a) of that section, whether or not those sums are separate from the sums payable for the occupation of the dwelling-house concerned or are payable under separate agreements.