



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

Case Reference : **KA/LON/OOBK/MNR/2019/0109**

Property : **Flat 68 Thomson House, 68
Bessborough Place, London SW1V
3SL**

Applicant : **Miss G Amirtham**

Respondent : **Peabody Trust**

Date of Application : **19 August 2019**

Type of Application : **Determination of the market rent
under Section 14 Housing Act 1988**

Tribunal : **Mr Ian B Holdsworth FRICS MCI Arb
Mr Alan Ring**

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

DECISION

**The Tribunal determines the rent payable from 1st October 2019 is
£1270.00 per month.**

Background

1. The tenant referred to the Tribunal a notice of rent increase served by the landlord under section 13 of The Housing Act 1988. The landlord's Notice which proposed a rent of £745 per month with effect from 1st October 2019 is dated 29th July 2019. A letter accompanying the Notice set out the various methods which had been used in capping the rent one of which was set at 60% of the open market rental value. The letter also stated that the effective date for the increase was 22nd September 2019 rather than the date shown on the Notice.
2. The tenancy is a periodic tenancy which commenced in January 2014.
3. A hearing was held at which the tenants of Flat 68 and Flat 9 Thomson House appeared and presented a joint case. The landlord was not present or represented at the hearing and the Tribunal received written representation from the tenant. No written representations were received from the landlord.

The hearing

4. Miss Jarvis, tenant of Flat 9 Thomson House and Miss Amirtham both presented their own arguments in relation to their property. A representative from the Residents Committee also made a submission to the Tribunal at the hearing.
5. Miss Amirtham relied upon her written representations as a guide for her submission to the Tribunal. She commented on the general condition of the building and the environment, the problems the residents had experienced with the external letter box and identity theft, water penetrating the chute room, restricted fire brigade access to Thomson House, excessive leaves in the garden and parking area, inadequate lighting in common areas, removal and replacement of flat doors, infestation of mice and moss and a problem with the servicing of the lift in her block.
6. She also explained that at the date of the hearing that she had not had any central heating for some time. She told the Tribunal gas boiler maintenance staff had carried out an inspection prior to the hearing and a remedy was being explored.
7. She made representation about the market rent and argued that rents for lettings comparable to her property range from £300-£350 per week. She provided a listing of properties which she claimed were comparable to the subject.
8. No representation was received from the landlord.

Inspection

9. The Tribunal inspected the property on 1st November 2019. The premises are situated in a purpose built block built in approximately 1980 within a gated estate of flats and houses with communal gardens, children's playground and carparking facilities. Flat 68 is on the third floor overlooking the communal gardens and we understand the layout of all the flats in the block is identical.
10. The flats are centrally heated and double-glazed and comprise a living room with bay window providing good natural light, louvre door to the kitchen with fitted units and a gas fired central heating boiler in a cupboard, a double bedroom with fitted wardrobes, bathroom/WC with wash basin and a vanity, large wall mirror and tiled walls. There are two large storage cupboards accessed off the hallway.
11. There is no natural light in either the kitchen or bathroom.
12. We were told the white goods, carpets, carpets and blinds are provided by the tenant.
13. The common parts were clean, carpeted and heated by radiators.
14. Each individual section of the block was served by a passenger lift. There was a rubbish chute that served each floor.
15. The gardens were well maintained.

The law

16. In accordance with the terms of section 14 of The Housing Act 1988 the Tribunal proceeded to determine the rental which it considers that the subject property might reasonably be expected to be let on the open market by willing landlord under an assured tenancy.
17. The Tribunal must first determine that the tenants notice under section 13(4) satisfied the requirements of that section and was validly served.
18. 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.
19. In so doing the Tribunal, are 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.

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

Valuation

21. The Tribunal had regard to the comparable transaction rental evidence supplied by the tenant, together with the Tribunal's own knowledge and experience of rental levels in and around the locality of the property. On this basis, it was their opinion that if the flat were in the same condition as those available to let on the open market the rental value would be £1,450 per month.
22. The property, whilst relatively recently built, exhibits some dilapidation and obsolescence. A deduction of 10% was made from market rent to reflect the benefit of the tenant's carpets, curtains, white goods and soft furnishings.
23. The representations made to the Tribunal included a number of matters material to the rent achievable for this property. The Tribunal gave particular weight to the impact of the recent anti-social behaviour in the locality. A reduction of 2.5% was made from market rent to reflect the anti-social behaviour in the locality and other relevant rental valuation matters.
24. The Tribunal are cognisant of the defective central heating system at the date of the hearing and inspection. They acknowledge the inconvenience and distress this can cause but it was not considered a material rental valuation consideration due to the short term nature of the disrepair.
25. After careful consideration, the Tribunal determined that a monthly rent of £1,270.00 per month is appropriate for this dwelling in present condition. Table 1 below provides further details on the deductions made from market rent in this calculation.

Table 1: Market Rental Assessment

68 Thomson House 68 Bessborough Place London SW1V3SL			
Market rent calculation in accordance with Housing Act 1988 Section 13			
Market rent		£1,450.00	per month
			Approximate
			Amount per week
			Deduction as %
Disregards			
Carpets , curtains white, goods, soft furnishing		£145.00	10.00%
Other matters			
Anti social behaviour and all other relevant matters raised in submission		£35.00	2.50%
	Adjustment total	£180.00	12.50%
Adjusted Market Rent		£1,270.00	per month

Decision

26. The Tribunal first determined that the tenant's notice under section 13(2) satisfied the requirements of that section and was served in time.
27. In coming to its decision on the rent the Tribunal applied the relevant law appended at Annex A.
28. The decision of this Tribunal is based upon the evidence provided at the hearing, written submissions and the inspection.
29. The Tribunal disregarded the benefit of tenants' improvements or household effects supplied with landlord's consent 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' improvements and subject to an assured periodic tenancy might reasonably be expected to achieve on the open market is **£1,270.00 per month**.
31. This rent will take effect from 1 October 2019.

Valuer Chairman: Ian B Holdsworth

Dated: 6 December 2019

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.