



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

Case Reference : **KA/LON/OODH/MNR/2019/0074**

Property : **Flat 16b Courtney Mews, London E17 7PP**

Applicant : **Mr J L Chapel**

Respondent : **Handwise Limited**

Date of Application : **3 June 2019**

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

Tribunal : **Mr I B Holdsworth MSc FRICS
Mr L Packer**

**Date and venue of
Determination** : **9 August 2019
10 Alfred Place,
London WC1E 7LR.**

DECISION

The rent payable from 15th July 2019 is £600 per calendar month.

Background

1. The landlord issued a Notice on 29 May 2019 proposing a new rent under an assured periodic tenancy at 16b Courtney Mews, High Street, London E17 7PP. They proposed that the current rent passing at the property of £541.66 per month be increased to £1,350 per month with effect from 15 July 2019.
2. The tenant made an application to the Tribunal dated 3 June 2019 for determination of the rent payable at the premises under the provisions of Section 13(4) of the Housing Act 1988.
3. The parties did not request an oral hearing but the landlord and the tenant made written representations following the issue of Tribunal directions on 12 June 2019.

Inspection

4. The Tribunal inspected the property on 9 August 2019. The subject property is a first and second floor flat situated above a shopping parade.
5. The flat overlooks the Walthamstow high street and is surrounded by mostly commercial dwellings with similar styled properties above.
6. The flat comprises: kitchen, lounge, bathroom/WC at first floor. At second floor is bedroom 1. There is a single garage at ground level.
7. At the rear of the property is a yard. There is a footpath crossing the yard to a metal staircase. The staircase leads to an external first floor landing to the rear of the property. Access to the property is from this landing.
8. The rear of the property overlooks a bus car park area, with light industrial and commercial uses situated nearby.
9. We are told that all the furniture in the property is owned by the tenant together with all floor coverings and white goods.
10. The Tribunal were advised that the tenant had carried out numerous improvements and repairs to the dwelling, including the replacement of guttering to the front elevation and replacement of three wooden framed single glazed windows to the living room. We were told he had replaced the main drain to the property in 2014. He had also installed two sets of kitchen shelving and a wall unit, and carried out repairs to the external staircase.

The evidence

11. The inspection revealed extensive dilapidation to the property including damp penetration to the second floor bedroom and associated plaster damage. There are no guard rails around either the first or second floor landings, and a defective balustrade to the staircase to ground level.
12. An inspection carried out on 14 June 2019 by an Environmental Health Enforcement Officer from the London Borough of Waltham Forest had identified material defects and dilapidation, namely rot to the flat's front door, damaged

glazing to the kitchen and the need, at that time, for electrical and gas checks to ensure the services complied with all current standards.

13. In written representation, the landlord drew the attention of the Tribunal to their recent attempt to carry out repairs to the property following the purchase of the property. They explained that it was their intention to pursue further repairs.
14. They also contended that one-bedroom flats in this locality are let at rents in the order of £1,250 to £1,350 rent in satisfactory condition. They provided evidence of this statement through Weblink to selected properties on Zoopla.co.uk
15. The tenant provided the Tribunal with detail of the defects at the property. He also explained that the recent inspection and report on dilapidation by the Environmental Health Officer had encouraged the landlord to carry out further necessary repairs.
16. The tenant also submitted comparable rental transaction evidence that support his contention that a property of a similar type situated in a more desirable residential area were regularly let in the range £850 to £895 per month when fully refurbished.
17. He argued that the location of this property some distance away from Walthamstow Central Station, reducing its rentable value.
18. The Tribunal notes that no hearing was requested by either party to discuss these matters.

The law

19. The Tribunal must first determine that the landlord's notice under section 13(2) satisfied the requirements of that section and was validly served.
20. 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.
21. 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.

A copy of the relevant legislation is at Appendix A.

Valuation

22. The Tribunal had regard to the comparable transaction rental evidence supplied by both the landlord and the tenant. They note that both sets of rental evidence was for marketed property rather than let dwellings.
23. The Tribunal applied their own knowledge and experience of rental levels in and around Walthamstow, including a similar but modernised flat in the same block. It noted that the subject property is close to commercial uses including a car body shop repair garage, a restaurant and bakers, and is also some 50 metres

away from a London Transport bus park generating vehicle movements, noise and air pollution, all affecting the property's amenity.

24. After careful consideration of the evidence submitted the Tribunal decided the comparable evidence submitted by the parties broadly represented the lower and upper limits of marketed rents for similar property in the locality.
25. It was their opinion that if the subject flat was in the same condition as those available to let on the open market the rental value would be £1,000 per month.
26. The property however is in poor condition as detailed above, and a deduction of 22.5% was made from the market rent for dilapidation and obsolescence, together with deduction of 32.5% to reflect the benefit of the tenant's improvements made with Landlord consent since he occupied the premises in the early 1990's, giving a valuation of £450 per month for the dwelling.
27. The Tribunal determined that £150 per month is payable for the benefit of the garage.
28. The Tribunal accordingly determined that a monthly rent of £600 per month is appropriate for this dwelling in present condition but excluding the improvements made by the tenant.

Decision

29. The Tribunal first determined that the tenant's notice under section 13(2) satisfied the requirements of that section and was served in time.
30. In coming to its decision on the rent the Tribunal applied the above law.
31. The decision of this Tribunal is based upon submitted written evidence and the information gained from its inspection and as the members explained they heard no further evidence at the inspection.
32. The Tribunal determined that the benefit of tenants' improvements with landlord's consent is disregarded in assessment of the Market Rent in accordance with the provisions of the Housing Act. The extent of dilapidation at this property and obsolescence is also reflected in the rent chargeable.
33. Accordingly, the Tribunal determined that the rent at which this property in present condition, with disregarded tenants' improvements and the appropriate adjustment for dilapidation and obsolescence might reasonably be expected to achieve on the open market is **£600 per month**.
34. This rent will take effect from 15 July 2019.

Valuer Chairman: Ian B Holdsworth

Dated: 25th September 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.