

DECISION

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The market rent as at 8 March 2020 is £575 per month.

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Background

- 1. On 6 March 2020 the tenant of the above flat referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988.
- 2. The landlord's notice, which proposed a rent of £600 per month with effect from 8 March 2020, is dated 28 January 2020.
- 3. The tenancy is a periodic tenancy which commenced 8 January 2020. Under the tenancy the Tenant covenants to "To keep in good and complete repair order and condition the interior of the Property and the painting papering and decorations thereof" and "To keep the Contents clean and tidy and in a good state of repair and condition and when necessary to arrange and pay for the maintenance and servicing of all electrical or mechanical equipment which are included in the contents (except for those installations and things which the Landlord is liable hereunder or by law to repair, maintain or service)."
- 4. A hearing was offered however owing to the Government directives to avoid unnecessary travel and social interaction both parties agreed that a telephone hearing should replace the usual oral hearing. The Tribunal received written representations from both the landlord and the tenant prior to the telephone hearing which commenced at 10 am on 29 April 2020.

The Evidence

- 5. Mr Marlborough described the flat as one of a block of four situated at the end of a cul de sac which comprises some local authority owned flats, some privately occupied and others let to students. The general environment within Coniston Close is untidy.
- 6. He confirmed that the flat comprises a living room, two bedrooms, kitchen and bathroom/wc, it is centrally heated by radiators fed from an old gas fired boiler and is double glazed.
- 7. In his written representations, supported by a number of photographs, and oral evidence he referred to the condition of the flat which he considered to be in a state of disrepair, stating that the landlord carried out the minimum of maintenance using poor quality materials. In particular the kitchen door was poorly fitted and required a wedge to keep it closed; the kitchen cupboards were in poor repair; the cooker hotplates were rusting and the oven door was damaged. There was damp in the hall and second bedroom; some of the radiators were rusting; the small window in the second bedroom could not be closed and the front door is draughty and has an unpainted panel of ply wood covering where a previous tenant had a cat door.
- 8. The white goods had been left by a previous tenant and the landlord did not accept any problems which subsequently arose. The shower and shower curtain had been left by the previous tenant and the landlord had not been willing to replace the shower unit when it broke. He had redecorated the flat throughout and the bathroom twice.

- 9. He had made enquiries regarding rents of similar properties and found one nearby in a similar condition where the rent was £520 per month. The same amount as the landlord had proposed in January of this year. He considered that flats letting for £600 per month were in better condition than the subject flat.
- 10. Ms Arecco said that no one had inspected the flat in relation to its rental value. The landlord had said he would replace the front door during the inspection for the Energy Performance Certificate (EPC), as the local authority had to their properties, however the original door remained in place. She did not feel safe as the lock was poor. The curtains and laminate flooring had been supplied by the previous tenant.
- 11. Mr Cronin agreed that the flat was not modernised but said that was reflected in the proposed rent. He accepted that the boiler was not modern but said it worked well and therefore did not require replacement; the double glazing was about fifteen years old. The flat is close to both the hospital and the university consequently there was a high demand for accommodation. In his written representations he had noted that the flat has the benefit of a large garden which was evidenced in a number of the photographs he had supplied.
- 12. He had stood by the front door during the inspection for the EPC and thought everything looked fine. He had previously removed mould on the front door with a damp cloth. He had not been advised that there were any problems with the white goods. He confirmed that the white goods had been left by the previous tenant, the flat had been let unfurnished. He said that he had replaced the curtains at the beginning of the tenancy.
- 13. He agreed that he had offered a revised rent of £520 per month in January 2020 when the existing tenancy was about to expire however the tenant had not responded. Due to a change in his own personal circumstances he had been looking for alternative accommodation for himself. He had not realised that rental values had increased so much until looking for somewhere to rent for himself.
- 14. The rent for the flat had been at the same level since the tenants moved in during July 2014. His enquiries indicated that two bedroom flats in this area were being let for between £620 and £720 per month, depending upon the condition. He had proposed £600 per month in view of his research. He recognised that a large increase would be difficult for the tenants but he could not afford to continue letting the flat at a low rent. He had not found any flats available for as low as £520 per month but if that was the evidence he would have to accept it.
- 15. Mr Cronin provided details of four flats available to rent, all were two bedroomed and modernised. Those in Bevan Close and Freshfield Close were marketed at £750 per month and the two in Barnesdale Road and Nasmith Road at £650 per month.

The law

- 16. In accordance with the terms of section 14 Housing Act 1988 the Tribunal proceeded 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 on the same terms and conditions as the existing tenancy.
- 17. In so doing the Tribunal, as required by section 14(1), ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act.

Valuation

- 18. In coming to its decision, the Tribunal had regard to the evidence supplied by the parties and confirmed that she had looked at maps of the area and street view together with the details provided by the landlord. She noted that the asking rent for Bevan Close had been reduced to £695 per month and subsequently a letting had been agreed.
- 19. The details of the comparables all showed flats in better condition and modernised when compared to the subject premises. None of the flats were marketed at less than £650 per month. Bevan Close and Freshfield Close where the initial asking rents were £750 per month are approximately half a mile from Coniston Close, therefore in terms of location provide the best evidence. The recent letting of a first floor fully modernised flat in Bevan Close at £695 per month includes off street parking and a garden.
- 20. In determining the rental value of the subject flat the Tribunal has taken into account all the factors in respect of the condition of the flat including not only the state of repair but also the dated facilities and lack of white goods together with the terms of the tenancy.

The decision

- 21. The Tribunal concluded that the rent at which the property might reasonably be expected to be let on the open market is £575 per month.
- 22. The rent has been assessed as at 8 March 2020 in accordance with the landlord's notice.

Chairman: Evelyn Flint

Dated: 30 April 2020

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.

Appendix 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 making a determination 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

a 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, at all times 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....