



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

Case reference : **BIR/00FN/MNR/2020/0032**

Property : **51 Cheviot Road
Leicester
LE2 6RG**

Applicant : **Mr Irfan Azeem**

Representative : **None**

Respondent's : **VGW Properties Ltd**

Representative : **Mr V G White**

Type of application : **Application under Section 13(4) of the
Housing Act 1988 referring a notice
proposing a new rent under an Assured
Periodic Tenancy to the Tribunal**

Tribunal members : **G S Freckelton FRICS (Chairman)
Mrs K Bentley**

**Venue and Date of
Determination** : **The matter was dealt with by a telephone
hearing on 28th July 2020**

Date of Reasons : **3 August 2020**

DETAILED REASONS

BACKGROUND

1. On 3rd May 2020, the Applicant (tenant of the above property) referred to the Tribunal, a notice of increase of rent served by the Respondent (landlord of the above property) under section 13 of the Housing Act 1988.
2. The Respondent's notice, which proposed a rent of £640.00 per calendar month with effect from 25th May 2020, is dated 13th March 2020.
3. The date the tenancy commenced is stated on the Application Form as being on 25th March 2016 and is an Assured Shorthold Tenancy. The current rent is stated in the Respondent's notice as being £595.00 per calendar month. The rent was increased to this figure in 2017. The rent paid at the commencement of the tenancy was £570.00 per calendar month.
4. The Tribunal issued its Decision following the telephone hearing on July 28th 2020. The Applicant subsequently requested written reasons and these detailed reasons are provided in response to that request.

INSPECTION

5. Due to the COVID-19 pandemic and to comply with the revised Tribunal Regulations the Tribunal was unable to carry out an inspection of the property. During the telephone hearing the Tribunal asked the parties if they wished the Tribunal to carry out an external 'drive-by' inspection but both parties confirmed that they did not. The Tribunal considered that it had enough information to proceed with the determination without such an inspection.

ACCOMMODATION

6. Based on the information provided by the parties in their submissions and confirmed to the Tribunal during the hearing the Tribunal understands that the property comprises of a mid-terraced townhouse built in the 1980's. The Tribunal also understands that the accommodation comprises of a living room, conservatory and kitchen on the ground floor with one double and one single bedroom together with a bathroom on the first floor.
7. The Tribunal was informed by the parties that the house has gas-fired central heating together with a driveway to the front providing a vehicle parking space. There is understood to be a workspace loft area which the parties confirm has a 'Velux' style window and electric light. However, access is understood to be from a pull-down ladder on the landing and it cannot therefore be considered to be part of the regularly used accommodation. Indeed, it is little more than a loft storage area. The Tribunal understands that the property is double glazed and assumes from the discussion at the hearing that there are garden areas to the front and rear.
8. During the hearing the Tribunal was informed that the property was in good general condition although there were some unresolved issues relating to damp. The Respondent submitted that the work had been delayed due to the pandemic but some additional ventilation was provided. It was also submitted that Ivy to the front of the property was to be removed and that internal mould was due to be dealt with and redecoration undertaken. The Applicant confirmed that the redecoration had not taken place due to the pandemic.

EVIDENCE

9. The Tribunal received written representations from both parties which were copied to the other party. In their written submissions and at the hearing the parties submitted:
10. The Applicant submitted:
 - 1) That the property had been renovated when he first moved in but this was expected as being part of the landlord's obligation to ensure it was in a good condition and met the necessary standard. However, the property had no white goods fitted.
 - 2) That as a comparison number 18 Cheviot Road was first advertised in March 2020 at a rental of £598.00 per calendar month although this was later increased to £625.00 per calendar month as the property had been refurbished. However, the property had now been vacant for four months which, in the opinion of the Applicant reflected both the low level of rent and demand in the area.
 - 3) That although a recent gas safety check had been carried out such checks had not been completed in all the previous years.
 - 4) That the work to deal with the damp in the bedrooms and redecoration had not yet been completed.
 - 5) That the photographs submitted by the Respondent of the garden did not reflect the condition of the garden at the time the tenancy commenced.
 - 6) That the Respondent, in his evidence was comparing the subject property to other properties which were not in the same area. In particular some were in Clarendon Park where the properties were larger often having two reception rooms together with larger bedrooms and are also in a student area which commanded higher rents.
11. The Respondent submitted:
 - 1) That the Applicant had been living at the property for over four years and had been a good tenant. Over the past three years there had been no rent increase and although he had tried to absorb additional costs, he now sought a rent review to cover the higher overheads.
 - 2) That he was seeking a rent increase of £45.00 per calendar month which, over three years he felt was reasonable and below the rate of inflation.
 - 3) That the data he had obtained from Zoopla indicated an average rental of £767.00 per calendar month and that even if the Clarendon Park area was excluded the average rents were still higher than the subject property. At the same time many of the comparables were flats which did not benefit from gardens or off-street parking.
12. Both parties provided evidence of numerous adverts for properties within a radius of 2 to 3 miles from the subject house.

THE LAW

13. 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 under an assured tenancy.

14. 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.

THE TRIBUNAL'S DECISION

15. The Tribunal understands from the parties that the property is generally considered to be in good condition. The only item of outstanding repair appears to be work being undertaken to resolve issues of damp within the bedrooms of the property. Although additional ventilation has been provided and Ivy to the front of the house is to be removed the Tribunal understands that the issue of damp has not been fully resolved. However, the Tribunal accepts the submissions of both parties that some of the work remains outstanding due to the pandemic. From its experience the Tribunal would also expect at least some of the damp and mould referred to at the hearing as being due to condensation rather than structural or physical defects.
16. The Tribunal also accepts that there is a current valid gas safety certificate in respect of the property.
17. The Tribunal considered the numerous adverts for comparable properties provided by the parties although many of these were for houses of different ages, types and styles. For example, the Applicant referred to a property on Wigston Lane which is quoted at £650.00 per calendar month. However, this is a much older house and is not, in the opinion of the Tribunal in such a desirable location. Having said that, it does have an additional bedroom and living room. The property on Vernon Road which is advertised at £630.00 per calendar month is a much older terraced house with no off-street parking although it does have a ground floor shower room in addition to the first-floor bathroom.
18. At the hearing reference was made to the property at Cavendish Road although this is a flat and therefore not comparable to the subject house
19. The Respondent referred to an older style terraced house in Milligan Road, Leicester advertised at £695.00 per calendar month although this appears larger than the subject property. Other properties referred to by the Respondent include a two-bedroom terraced house in Vernon Road, Aylestone at £650.00 per calendar month and a further two-bedroom house in Knighton Lane, at £625.00 per calendar month. Both appear considerably older than the subject property.
20. The Tribunal took particular regard of 18 Cheviot Road which was referred to in the Applicants submissions. This is noted as being a newly refurbished two-bedroom semi-detached property advertised at a rental of £625.00 per calendar month. The Applicant confirms in his submissions that this has remained unlet for several months which, in the Applicant's opinion, reflects the rental value and desirability of the area. For his part, the Respondent submits that the reason the property has not let is probably due to the pandemic as the property was advertised as being available from 26th of May 2020. The Respondent also submits that this property is smaller than the subject house as it does not have a conservatory or loft working space.
21. The Tribunal is of the opinion that the inclusion of a conservatory is an additional feature which would increase the rental value of the subject property slightly compared to 18 Cheviot Road. However, the Tribunal does not accept that the loft space which is only approached via a drop-down loft ladder is of particular value. The

Tribunal did however note that the property at 18 Cheviot Road is advertised as having electric heating whereas the subject property has gas fired central heating. The Tribunal is of the opinion that gas fired central heating is more desirable in the rental market than electric heating and will command a higher rental.

22. Although for an open market letting white goods (i.e. cooker, washing machine, fridge and freezer) are usually included in the tenancy, in this case the Applicant confirms that the white goods have been provided by him. The Tribunal notes that the only exception is in respect of a washer/dryer which was provided 'as a gesture of goodwill' by the Respondent. However, it is confirmed in the Tenancy Agreement that if the washer/dryer breaks down during the tenancy then the Respondent will not be responsible for its repair or replacement.
23. In coming to its decision, the Tribunal had regard to the members' own general knowledge of market rent levels in the area of Leicester.
24. The Tribunal concluded that the market rental value of the property including all white goods would have been £650.00 per calendar month.
25. However, the property as described by the parties is not in the condition that would be expected in the open market and the Tribunal therefore made a deduction of £15.00 per calendar month to reflect the lack of other white goods which have been provided by the Applicant and not by the Respondent.
26. The Tribunal therefore concluded that an appropriate market rent for the property would be £635.00 per calendar month (£650.00 - £15.00).
27. The Tribunal therefore determined that the rent at which the property might reasonably be expected to be let on the open market would be £635.00 per calendar month.
28. This rent will take effect from 25th May 2020, being the date of the Respondent's notice.

APPEAL

29. Any appeal against this Decision can only be made **on a point of law** and must be made to the Upper Tribunal (Lands Chamber). Prior to making such an appeal the party appealing must apply, in writing, to this Tribunal for permission to appeal within 28 days of the date of issue of this Decision, (or, if applicable, within 28 days of any decision on a review or application to set aside) identifying the decision to which the appeal relates, stating the grounds on which that party intends to rely in the appeal, and stating the result sought by the party making the application.

G S Freckelton FRICS
Chairman
First-tier Tribunal Property Chamber (Residential Property)