



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

Case reference : **LON/00BK/MNR/2020/0058**

Property : **Flat 10 Eyot House, Marine Street,
London, SE16 4BN**

Applicant : **Mr J Wright & Ms S Markeliunaite**

Representative : **In Person**

Respondent : **Hyde Housing Association**

Representative : **Ms D Jones**

Type of application : **Market Rent under s13 & 14 of the
Housing Act 1988**

Tribunal member(s) : **Mr A Harris LLM FRICS FCI Arb**

**Date and venue of
hearing** : **2 October 2020**

Date of decision : **2 October 2020**

REASONS FOR THE DECISION

Decisions of the tribunal

- (1) The tribunal determines that the market rent is £1220.00 (one thousand two hundred and twenty pounds) per calendar month.
- (2) The tribunal makes the determinations as set out under the various headings in this decision.

The application

1. The applicant seeks a determination pursuant to section 13 & 14 of the Housing Act 1988 following the service of a notice by the landlord proposing a rent increase to £1264.00 per month.
2. The tribunal made its decision on 2 October 2020 and this was not sent out until late October. However, owing to a clerical error, the wrong email address is used for the Tenant and the decision was not received until 2 December 2020. The request for reasons was made promptly on 3 December 2020 and the tribunal therefore accepts the request for reasons.

Background

3. On 10 February 2020 the landlord served a notice of rent increase proposing a new rent of £1264.00 per month in place of the existing rent of £1175.00 per month. The starting date for the new rent would be 1 April 2020.
4. On 20 March 2020 the tenants, Mr J Wright & Ms S Markeliunaite, made an application to this tribunal challenging the increase.

The property

5. The subject property is a first-floor self-contained flat with 1 living room, kitchen, bathroom and 1 bedrooms.
6. The application shows that the flat is equipped with a washing machine and fridge freezer supplied by the Landlord although the Tenant is responsible for their repair or replacement.
7. Under the terms of the tenancy the tenant is to keep the interior of the property and contents in at least as good and clean condition and repair as at the commencement of the tenancy, fair wear and tear excepted. The landlord is responsible for repairs under sections 11 and 12 of the Landlord and Tenant Act 1985.

The tenant's evidence

8. The tenants made written representations in which they state they do not accept the 8% rent increase is a fairly calculated decision by the Landlord.
9. The comparables listed by the Landlords agents are described as having superior internal condition as well as being fully furnished. The agents, JLL confirm that agents are having to reduce prices to entice new tenants in economic difficult circumstances.
10. There have been issues during the tenancy when the boiler broke down and there was no heating or hot water for a period of time. Cladding replacement took longer than expected and there have been burst pipes which left the building with no water.
11. Ms S Markeliunaite stated she had placed on the Coronavirus Job Retention Scheme from April 2020 resulting in a 20% salary decrease.
12. No comparable evidence was submitted by the tenant.

The landlord's case

13. For the landlord, Ms Jones submitted a written witness statement. In exhibit B it states that the flat is a one-bedroom flat and Jones Lang Lasalle reported a market rent of £1580 per month. The research on which that figure is based has not been retained.
14. Schedule of properties taken from Rightmove was however included.
15. A one-bedroom flat in Sun Passage SE16 was available to rent on an unknown date at £1525 per month. The flat has one double bedroom and the list shows that the rent had been reduced that day. The commentary says that the initial quoting rent was £1647 per month which was reduced on 28 July 2020. As it is in the same block it is considered to be a good comparable
16. A one-bedroom flat in Jamaica Road was available to let at £1800 per calendar month and the list shows that the rent was reduced on 24 July 2020. The commentary states it is considered to be superior to the subject property in terms of location and specification
17. A one-bedroom flat in Prospect House, Sun Passage, Bermondsey was available to let on 22 July 2020 with occupation from 14 September. The flat is described as a well presented one-bedroom apartment which is of a similar age to the subject property but with a balcony. The quoting rent is £1700 per calendar month.
18. A further one-bedroom flat in Prospect House is shown as having a letting agreed following being placed on the market on 17 June 2020. The quoting rent is shown as £1582 per month.

19. A one-bedroom flat in Parker Building, Jamaica Road Bermondsey is shown as having been let with quoting rent of £1582 per month. The rent was reduced on 15 July 2020.
20. A one-bedroom flat in Pullman Building, Bermondsey was shown as being under offer at a rent of £1517 per month. The property is shown as a new home and was listed on 21 May 2020.
21. In summary three properties shown as being let support a rent higher than £1517 per month achieved in the Pullman Building. One is in the same building as the subject property, one within 0.09 miles and the third within 0.8 miles. This last property is considered to be a slightly poorer location but some similar specification.

The Law

22. The Tribunal must first determine that the landlord's notice under section 13(2) satisfied the requirements of that section and was validly served.
23. 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.
24. 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. Any improvements made during the previous regulated tenancy are no longer disregarded.

Valuation

25. The tribunal has considered the rental evidence and comments put forward by both parties. The tribunal also used its own knowledge and experience.
26. The tribunal considers that the evidence shows that lettings in the market were not achieving quoting rents and therefore places little weight on the quoting rents shown above. The tribunal places the greatest weight on the evidence of the lettings which took place although the details show quoting rents and not rents achieved. Based on the evidence above and its knowledge and experience, the tribunal considers that if let in the open market on the terms of the tenancy, the flat would achieve a rent of £1525 per calendar month. The tribunal then deducted the 20% discount for the intermediate tenancy to arrive at a rent of £1220 per month.

Effective date

27. Under s14 (7) of the Housing Act 1988 the effective date of the decision would normally be the date shown on the application unless there is hardship to the tenant.
28. On the evidence submitted by the tenant, the tribunal does not find evidence of hardship and therefore the effective date of the decision is 1 April 2020.

Name: A P Harris LL.M FRICS FCI Arb
Valuer Chair **Date: 11 December 2020**

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).