



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

Case Reference : **LON/00AY/MNR/2020/0122
P:PAPERREMOTE**

Property : **Unit 1 2B Mountbatten Close Gipsy Hill
London SE19 1AP**

Applicant : **Mr Paul Richard Grant**

Respondent : **Maurice Laurent Limited**

Date of Application : **21 August 2020**

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

Tribunal : **Mrs E Flint FRICS**

**Date and venue of
Determination** : **21 December 2020
remote hearing on the papers.**

DECISION

The market rent as at 16 September 2020 is £850 per month.

This has been a hearing on the papers which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE, a paper determination which is not provisional. A face to face hearing was not held because it was not practicable and all the issues could be determined on the papers. The documents that I was referred to are in an electronic bundle, the contents of which I have recorded.

Background

1. On 12 August 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 £1146.86 with effect from 16 September 2020, is dated 31 July 2020.
3. The tenancy is a periodic tenancy which commenced 16 September 2019.
4. Owing to the Covid 19 restrictions the parties were asked if they would consent to the application being dealt with on the papers. Both parties confirmed that they were content for the matter to be dealt with on the papers. The Tribunal received written representations from both the landlord and the tenant.

The Evidence

5. The landlord stated that the proposed rent was based on the Local Housing Allowance for a one bedroom flat in Inner South East London which is set by the Valuation Office Agency. In support of the proposed rent the landlord referred to all the other rents on 2A and 2B Mountbatten Close: of the nine other units one was let at a higher rent because it is occupied by a mother and baby, seven are let at the proposed rent and one at a lower figure because it has not yet been reviewed. The flats are let under a scheme operated by the local authority for those in danger of becoming homeless. The subject flat is the 3rd most spacious flat in the house which has been converted into ten units.
6. The tenant described his accommodation as being one room with kitchenette area and a bathroom/wc. He shares a kitchen with cooker, sink, fridge freezer and cupboard with the other tenant on the first floor. There is also a cash metered washer/dryer in the kitchen. Heating is via an electric heater, the windows are single glazed; there is no entryphone, just a doorbell by the front door to the house. The landlord has provided the laminate flooring, blinds and white goods. There is no off-street parking and the garden is so overgrown as not to be usable.
7. The tenant stated that he obtained the tenancy agreement under a scheme to assist those in danger of becoming homeless and that initially the rent was based on the Local Housing Allowance however after 12 months the tenancy was a normal tenancy with the rent being based on the market rent.
8. He referred to other flats on the market within a little over 2 miles from his flat where the rents ranged from £750 per month, to £900 per month.

Whiteley Road, a few hundred yards from the subject, a studio flat, of a similar size, is available at an asking rent of £760 per month including council tax and heating.

Alexandra Drive, the same road as the subject, a much larger studio is available for £995 per month.

Auckland Road, within half a mile of the subject, a one bedroom flat is available for £800 per month.

Gypsy Road, within a few hundred yards of the subject, A studio flat, larger with full kitchen, eaves storage and modernised, is available for £995 per month.

SE21 and SW2 studio flats available at £900 per month

SW2 a larger studio is available for £750 per month.

None of the comparables include shared facilities.

Hardship

9. The tenant provided details of his disposable income and asked that the Tribunal take this into account when determining the start date for the revised rent since backdating an increase would result in hardship.

The law

10. 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.
11. 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

12. In coming to its decision, the Tribunal had regard to the comparable evidence supplied by the parties. The Tribunal does not find the landlord's comparables helpful in determining the open market rent because there has been no testing of the market, the rent is simply the amount of the Local Housing Allowance for a one bedroom flat. The actual flats are however, not one bedroomed but studios with shared cooking facilities. The flat is within close proximity of all local facilities and transport.
13. In determining the rental value of the subject property, the Tribunal has taken into account all the factors in respect of lack of proper kitchen facilities within the flat itself, the single glazed windows and the size of the studio which is at the smaller end of those available on the open market.

The decision

14. The Tribunal concluded that the rent at which the property might reasonably be expected to be let on the open market is £850 per month. The rent will take effect

from 16 September 2020 in accordance with the landlord's notice. The Tribunal determines that backdating of the new rent will not cause hardship because it is less than the rent paid prior to that date,

Chairman: Evelyn Flint

Dated: 21 December 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.