



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

Case reference : **BIR/OOCN/MNR/2021/0036**

Property : **80 Blenheim Way
Castle Vale
Birmingham
B35 7LF**

Applicant : **Mr P Johnson**

Representative : **None**

Respondent : **Green Square Accord**

Representative : **Mr R Spolia**

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
Mrs K Bentley**

**Venue and Date of
Determination** : **The matter was dealt with by a telephone
hearing on 6th October 2021**

DETAILED REASONS

BACKGROUND

1. On 29th July 2021, 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 £419.69 per month with effect from 1st August 2021, is dated 18th June 2021.
3. The date the tenancy commenced is stated in the Application as being on 11th July 2001 and is stated by the Respondent to be an Assured Shorthold Tenancy although this is disputed by the Respondent. The current rent is understood to be £413.49 per month.
4. The Tribunal issued its Decision following a telephone hearing on 6th October 2021. 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. The Tribunal considered whether an external 'drive by' inspection was necessary but considered that it had enough information to proceed with the determination without such an inspection.

ACCOMMODATION

6. The Tribunal has the benefit of the submissions and to clarify the position confirmed the accommodation of the property with the parties at the hearing. The Tribunal understands that the property comprises a semi-detached house of traditional construction in an area of predominantly residential properties.
7. Briefly the accommodation comprises of hallway, one living room, kitchen and W.C on the ground floor. On the first floor the landing leads to three bedrooms and bathroom.
8. There are gardens to the front and rear and a car port.
9. The house has gas fired central heating and UPVC double glazing throughout both of which were provided by the Applicant.
10. The carpets, curtains and white goods are also understood to have been provided by the Applicants.

HEARING

11. The Tribunal received written representations from both parties which were copied to the other party.
12. A telephone hearing was arranged by the Tribunal which took place on 6th October 2021 and was attended by both parties.
13. The parties written and verbal representations are summarised as follows:

THE APPLICANT'S SUBMISSIONS

14. The Applicant submitted that the property had been built by him as a 'self-build' as part of a regeneration project and that it was agreed that the rent charged at the outset would be a 'Social Rent'. However, in the submission of the Applicant the Respondent had changed the goal posts.
15. The Applicant further submitted that the self-build group had been disbanded by the Respondent who had changed the rent profile which led to an initial steep rise in rent payable. It was submitted that he held a 25% equity in the property but this had been taken by the Respondent. He stated that he had an Assured Shorthold Tenancy.
16. The Applicant submitted that all the three-bedroom houses on the development were the same but the property next door was paying £20.00 per month less but they had been paid a cash sum for their equity which he had not. In his submission the rent payable should be a social rent but at £419.69 it was not. He submitted that there had been cases brought in the Courts which he had won but the Respondent had rebutted them.
17. As further comparable evidence the Applicant referred to a 'property down the road' where the market rent was £402.00 per month and a property occupied nearby which was let on the open market at £398.00 per month. On questioning by the Tribunal, it was confirmed that this latter property was owned by the local authority.
18. The Applicant further submitted that in his opinion social rents should be some 60% of market rents

THE RESPONDENT'S SUBMISSIONS

19. The Respondent submitted that there had been an ongoing issue between the parties for many years as to the basis of the agreement but, in the opinion of the Respondent the Applicant had an Assured Tenancy and that the rent charged was for a 100% share.
20. The Tribunal asked the Respondent if the amount proposed included any management charges as it was noted that a separate amount for management was quoted on earlier Notices of Increase helpfully provided by the Applicant. The Respondent confirmed that there were no management or other charges and the amount proposed was only in respect of rent.
21. As comparable evidence the Respondent submitted that he had checked the internet and found that the market rent for a four-bedroom house was £1250.00 per month and a two-bedroom flat was £750.00 per month with a one-bedroom flat being £575.00 per month.

BASIS OF DETERMINATION

22. The Tribunal confirmed to the parties at the hearing that it had no jurisdiction to consider any other matter than the rental for a 100% share of the property. As such it could not take into account the long running legal dispute or other disagreements between the parties.

THE LAW

23. 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.
24. 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

25. The Tribunal initially considered the specific submissions and determined that:
- 1) The comparable property referred to by the Applicant which was owned by the local authority was also let on a 'Social Rent' basis. The local authority must be considered as a Social Landlord.
 - 2) The copy of the Tenancy Agreement provided confirmed the property was held on an 'Assured Shorthold Tenancy'. The Respondent submits it is an 'Assured Tenancy' which could give the Applicant additional security. For the purpose of this determination the Tribunal does not consider that this disagreement has any material effect on the basis of the rent calculation.
26. In coming to its decision, the Tribunal had regard to the members' own general knowledge of market rent levels in the area of Birmingham.
27. Having regard to the general level of rents in the area the Tribunal concluded that if the subject property had been in good condition the market rental value would have been £750.00 per month.
28. The Tribunal then made the following adjustments to reflect the works carried out by the Applicant which would normally be provided by the landlord in an open market letting:
- | | |
|--------------------------------|-------------------|
| 1) Double glazing | 60.00 |
| 2) Central heating | 80.00 |
| 3) Carpets and curtains | 55.00 |
| 4) White goods | 30.00 |
| 5) Lack of garage | 68.00 |
| 6) <u>Decorating liability</u> | <u>38.00</u> |
| Total | £331.00 per month |
29. The Tribunal therefore concluded that an appropriate market rent for the property would be £419.00 per month ($£750.00 - £331.00 = £419.00$).
30. The Tribunal therefore determined that the rent at which the property might reasonably be expected to be let on the open market would be £419.00 per month from 1st August 2021 being the date on the landlord's notice.

APPEAL

31. 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)