

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	LON/00BJ/MNR/2022/0018
HMCTS code (paper, video, audio)	:	P: PAPERREMOTE
Property	:	Flat 1, Marius Mansions, Marius Road, London SW17 7QG
Applicant	:	Mr Keith Burstein
Respondent	:	Bankway Properties Limited
Date of application	:	7 th February 2022
Type of application	:	Determination of the market rent under Section 14 Housing Act 1988
Tribunal member(s)	:	Mr Ian B Holdsworth MSc MCIArb FRICS
Venue	:	REMOTE
Date of decision	:	12 July 2022

DECISION

The Tribunal determines the rent payable from 1 April 2022 is £440.00 per month.

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Covid-19 pandemic: description of hearing

This has been a remote hearing on the papers which has been not objected to by the parties. The form of remote hearing was, P: PAPERREMOTE. A faceto-face hearing was not held because it was not practicable. It was agreed all issues could be determined in a remote hearing and through submission of papers. The documents that the tribunal were referred to are supplied in a bundle the contents of which have been noted.

Background

- 1. The tenant referred the Tribunal to a Notice of rent increase served by the landlord under section 13 of The Housing Act 1988. The landlord's Notice which proposed a rent of £500.00 per month with effect from 1 April 2022 is dated 31st January 2022.
- 2. The tenancy is a periodic tenancy which commenced in June 1989.
- 3. A video hearing was held on 26th May 2022 at which the tenant of 1 Marius Mansions, Marius Road, London SW17 7QG was present. The landlord did not attend and was not represented at the hearing.
- 4. The Tribunal received written representation from the tenant. No written representations were received from the landlord.

The video hearing

- 5. Mr Burstein relied upon his written representations as a basis for the submission to the Tribunal.
- 6. He commented on the general condition of the building and the difficulties with the local environment. He referred the Tribunal to the numerous defects he had encountered with the property over his tenancy. The written submission was detailed and included photographs of the defects.
- 7. He described the following specific issues with the property:
 - No central heating to the property
 - Penetrating dampness
 - Poor thermal efficiency
 - Sealed transom windows
 - Rotten Window frames with poor fixings
 - Defective bathroom/WC fittings
 - Blocked and defective drains
 - Defective electrical wiring; and
 - An inefficient water heating system.
- 8. At the date of the hearing the Tribunal were told many of the defects were awaiting repair.

- 9. The tenant referred the Tribunal to previous rent determination applications. He asked the Tribunal to have regard for discounts made to previous market rents to reflect the condition of the property.
- 10. The tenant in his submission offered comparable rental transaction evidence for nearby properties. The Tribunal has had regard for these in their determination.
- 11. No representation was received from the landlord about the condition of the property or comparable market rents for dwellings in the locality.

Inspection

- 12. The Tribunal did not inspect the premises due to Covid 19 restrictions.
- 13. The tenant supplied a detailed description of the property and they relied upon this information in determination of the rent payable.

The Property

- 14. The property is a purpose-built ground floor flat comprising a living room, 1 bedroom, work room, kitchen, and bathroom/WC.
- 15. The resident has the use of a gravelled area at the rear of the property.
- 16. The Tribunal is told the flat is let unfurnished and all floor coverings, carpets and furniture are supplied by the tenant.

The law

- 17. In accordance with the terms of section 14 of The Housing Act 1988 the Tribunal proceeded to determine the rental which it considers that the subject property might reasonably be expected to be let on the open market by willing landlord under an assured tenancy.
- 18. The Tribunal must first determine that the tenants notice under section 13(4) satisfied the requirements of that section and was validly served.
- 19. 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.
- 20. In so doing the Tribunal, are 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.
- 21. A copy of the relevant legislation is at Appendix A.

Valuation

- 22. The Tribunal has had regard to the evidence supplied by the tenant, together with the Tribunal's own knowledge and experience of rental levels in and around the locality of the property. On this basis, it was their opinion that if the flat were in the same condition and managed to the same standard as those available to let on the open market the rental value would be £1,600.00 per month.
- 23. The property exhibits extensive dilapidation and obsolescence. All soft furnishings, white goods and furniture are provided by the tenant. The adjustments made from market rent to reflect the dilapidation, obsolescence and tenants fixtures are shown in table 1 below.

1 Marius Mansions Beckenham Kent SA17 7QG			
Market rent calculation in accordance with Housing Act	t 1988 Section 13		
Market rent	£1,60	0.00 per month	
		Amount per month Dec	luction as %
Disregards			
Carpets, curtains white goods, soft furnishing and furniture		£240.00	15.00%
Plasterwork repair to bathroom ceiling and walls		£40.00	2.50%
		£280.00	17.50%
Dilapidations			
Damgaed window frames and sealed glazing		£120.00	7.50%
Defective sanitary fittings and plumbing		£120.00	7.50%
Defective electrical wiring		£80.00	5.00%
Penetraing dampness		£80.00	5.00%
Plaster fractures arising from structual damage		£40.00	2.50%
Damaged floor boards		£40.00	2.50%
		£480.00	30.00%
Obsolesence			
No central heating		£240.00	15.00%
Poor thermal efficiency		£80.00	5.00%
Dated sanitary fittings		£80.00	5.00%
		£400.00	25.00%
	Adjustment total	£1,160.00	72.50%
Adjusted Market Rent		£440.00 per	month

24. After careful consideration, the Tribunal determined that a deduction from market rent of 72.5% was appropriate and reasonable to reflect the dilapidation and obsolescence of the property. The Tribunal are cognisant of the contribution made by the tenant through the provision of carpets, curtains, white goods, soft furnishings and some minor repairs to the bathroom ceiling and walls.

Decision

25. After careful consideration the Tribunal determine that a monthly rent of **£440.00 per month** is appropriate for this dwelling in present condition.

Valuer Chairman: Ian B Holdsworth Dated: 12 July 2022

Appendix A 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 deciding 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 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, always 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.