

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CAM/26UK/MNR/2022/0052
HMCTS code	:	P:PAPERREMOTE
Property	:	8 Cow Lane, Watford, Hertfordshire, WD25 9BE
Applicant (Tenant)	:	Lukhveer Singh
Respondent (Landlord)	:	Naga Udhistar Yarlagadda
Type of application	:	Determination of a Market Rent: Sections 13 and 14 Housing Act 1988
Tribunal members	:	Mr P Roberts FRICS CEnv
Date of Determination	:	26 August 2022

DECISION

This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper hearing described above as P:PAPERREMOTE. The documents that the Tribunal was referred to are in bundles from the Applicant and the Respondent. The Tribunal has noted the contents and the decision is below.

Decision

The Tribunal determined a market rent of £1,600 per calendar month effective from 28 June 2022.

Reasons

Background

- 1. On 17 May 2022 the Landlord served notice under section 13 (2) of the Housing Act 1988 to increase the passing rent from £1,450 per month to £1,600 with effect from 28 June 2022.
- 2. This rent is stated to be exclusive of Council Tax, Water Charges and fixed service charges.
- 3. The Tenant made an undated application to the Tribunal in reliance on section 13 (4) of the Housing Act 1988.
- 4. The Tribunal issued directions on 16 June 2022, inviting the Parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the tribunal to consider.
- 5. Neither Party requested a hearing.

The Property

- 6. The Tribunal has not inspected the Property and has relied upon the papers provided by the Parties together with Google Images and Rightmove historic sales particulars.
- 7. The Tenant has described the Property as being detached. However, it is apparent from both Google Images and the Sales Particulars dated September 2016, that it is a mid-terraced property constructed of brick and tile.
- 8. The Tribunal understands from these sources that the accommodation comprises a lounge and kitchen/dining room on the ground floor with three bedrooms, a bathroom and ensuite on the first floor.
- 9. According to the Sales Particulars, the property was constructed in November 2010 to a high standard and includes a fully fitted kitchen and bathroom together with white goods.
- 10. There is small garden to the front and a larger garden to the rear behind which is located two car off-road car parking spaces.
- 11. The Tribunal understands that all carpets, curtains and white goods belong to the Landlord.

- 12. The Tribunal notes that the EPC banding is C effective from 24 October 2020 and that the assumed floor area extends to 77 square metres.
- 13. The Tribunal also notes that the Property has been placed in Council Tax D.

The Tenancy

- 14. The Tenant occupied the Property by virtue of an Assured Shorthold Tenancy that commenced 29 September 2019 and expired on 27 September 2020.
- 15. The initial rent under the Tenancy was £1,450 per month.
- 16. The Tenant was required to "...take reasonable steps to keep the interior of the Property and the Fixtures and Fittings in the same decorative order and condition throughout the Term as at the start of the Tenancy, as noted in the Inventory and Schedule of Condition. The Tenant is not responsible for fair wear and tear, any damage caused by fire... ...repairs for which the Landlord has responsibility... ...damage covered by the Landlord's insurance policy."
- 17. The Landlord was required to "...comply with the obligations to repair the Property as set out in sections 11 to 16 of the Landlord and Tenant Act 1985 (as amended by the Housing Act 1988)..."
- 18. In the absence of a new Tenancy being entered into, an Assured Periodic Tenancy has arisen such that Sections 13 and 14 of the Housing Act 1988 now apply.

The Law

- 19. Section 14 of the Housing Act 1988 (the 1988 Act) provides that the Tribunal is required to determine the rent at which the Property might reasonably be expected to let in the open market by a willing landlord under an assured tenancy:
 - a. "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 rent) are the same as those of the existing tenancy."
- 20. Section 14 (2) of the Act requires the Tribunal to disregard
 - 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 (as defined by section 14 (3) of the Act) otherwise than as an obligation;
- 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."
- 21. Examples of a tenant's failure to comply with the terms of the lease may include, for example, a lack of redecoration.
- 22. Section 11 of the Landlord and Tenant Act 1985 (the 1985 Act), provides that the Tribunal is to imply a covenant by the Landlord:
 - a. "to keep in repair the structure and exterior of the dwellinghouse (including drains, gutters and external pipes),
 - b. to keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity), and
 - c. to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water."
- 23. Section 14 (7) of the 1988 Act states:

"Where a notice under section 13(2) above has been referred to the appropriate tribunal, then, unless the landlord and the tenant the otherwise agree, rent determined by the appropriate tribunal (subject, in a case where subsection (5) above applies, to the addition of the appropriate amount in respect of rates) shall be the rent under the tenancy with effect from the beginning of the new period specified in the notice or, if it appears to the appropriate tribunal that that would cause undue hardship to the tenant, with effect from such later date (not being later than the date the rent is determined) as the appropriate tribunal may direct."

Representations – The Tenant

- 24. The Tenant submitted various scanned documents and photographs. Unfortunately, these were not legible and, despite chasing by the Tribunal, no further copies have been submitted.
- 25. They appear to refer to the state of repair of the Property. However, as set out above, it is assumed that the Parties have complied with their covenants.

Representations – The Landlord

26. The Landlord has not made any representations.

Determination

- 27. In determining the market rent, the Tribunal has regard to prevailing levels of rent in the general locality and achieved rental values in respect of other properties of comparable accommodation and provision that would be likely to be considered by a prospective tenant. The current rent and the period that has passed since that rent was agreed or determined is not relevant.
- 28. The legislation requires the Tribunal to have regard to market demand assuming that the landlord is willing. The Tribunal is therefore unable to have regard to the personal circumstances or identities of the actual landlord and tenant in assessing the level of rent.
- 29. As neither the Tenant nor the Landlord have submitted any evidence of value, it has been incumbent upon the Tribunal to make independent investigations.
- 30. There is currently only one property on the market within a half mile radius of the Property that is not a flat or maisonette. This comprises a modernised and furnished semi-detached property on Leggatts Wood Avenue which provides a reception room, kitchen/dining room and conservatory on the ground floor and three bedrooms together with a family bathroom on the first floor. There is a garden laid to grass at the rear and a driveway but no garage. This is currently available to let at $\pounds_{1,950}$ pm.
- 31. Further afield, a modernised 5 bed semi-detached property on Leggatts Way is being advertised at \pounds 2,800 pm, a 3-bed semi-detached house on Ganders Ash is advertised at \pounds 1,650 pm and a 3-bed semi-detached house in Rushton Avenue is available at \pounds 1,600 pm.
- 32. All these properties differ in respect of their locality, age, configuration and fit out. However, they are of assistance in setting a general level of value.
- 33. The Tribunal therefore determines the market rental of the Property with effect from **28 June 2022** at **£1,600 per calendar month.** The rent payable may not, therefore, exceed this figure. However, this does not prevent the Landlord from charging a lower figure.

Name: Peter Roberts FRICS CEnv

Date: 26 August 2022

<u>Rights of appeal</u>

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).