



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

Case reference : **CHI/21UC/MNR/2022/0078**

Property : **Flat 2 Gowland Court, 137-139 Seaside Road,
Eastbourne, East Sussex, BN21 3PG**

Applicant Tenant : **Mr M Issa**

Respondent Landlord : **Eastbourne Housing Investment
Company Ltd**

Type of application : **Determination of a Market Rent
Sections 13 & 14 of the Housing Act 1988**

Tribunal member(s) : **Mrs J Coupe FRICS (Chairman)
Mr S Hodges FRICS
Mr N Robinson FRICS**

Date of decision : **5 September 2022**

DECISION

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Covid-19 pandemic: Description of determination

This has been a remote determination on the papers which has been consented to by the parties. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote determination on papers. The documents that the Tribunal were referred to are in an electronic bundle, the contents of which have been noted. The order made is described below.

Decision of the Tribunal

On 5 September 2022 the Tribunal determined a Market Rent of £600.00 per calendar month to take effect from 1 August 2022.

Background

1. By way of an application dated 4 July 2022, received by the Tribunal on 7 July 2022, the Applicant tenant of Flat 2 Gowland Court, 137-139 Seaside Road, Eastbourne, East Sussex, BN21 3PG ('the Property'), referred a Notice of Increase in Rent ('the Notice') by the Respondent landlord of the property under Section 13 of the Housing Act 1988 ('the Act') to the Tribunal.
2. The Notice, dated 21 June 2022, proposed a new rent of £540.00 per calendar month, in lieu of the passing rent of £515.00 per calendar month, to take effect from 1 August 2022.
3. The tenant occupied the Property under an Assured Shorthold Periodic Tenancy commencing 1 April 2016. A copy of the tenancy agreement was provided.
4. On 14 July 2022, the Tribunal issued Directions advising the parties that it considered the matter suitable for determination on papers unless either party objected, in writing, within 7 days. The parties were also advised that no inspection would be undertaken. No such objections were received.
5. The Directions required the landlord and tenant to submit their completed statements by 28 July 2022 and 11 August 2022 respectively, with copies also to be sent to the other party. Submissions were filed by the applicant tenant only.
6. The matter was determined having regard to the evidence contained in the tenant's application and submissions.

Law

7. In accordance with the terms of Section 14 of the Act, the Tribunal is required to determine the rent at which it considers the subject property might reasonably be expected to let on the open market, by a willing landlord, under an assured tenancy, on the same terms as the actual tenancy.
8. In so doing, and in accordance with the Act, the Tribunal ignores any increase in value attributable to tenants' improvements and any decrease in value due to the tenants' failure to comply with any terms of the tenancy.

The Property

9. As stated, and in accord with current Tribunal policy, the Tribunal did not inspect the property, instead relying on the evidence submitted and viewing external images of the property via publicly available online portals.
10. The property is a self-contained first floor flat within a four-storey purpose built block of mixed residential and commercial occupiers, the ground level of which is occupied by retail space. Online images appear to show the building constructed with brick and rendered elevations, part slate hung, beneath a flat roof structure.
11. The property is located within close proximity of all main amenities and public transport links. It is also within a short distance of the seafront and Eastbourne Pier.
12. The accommodation, accessed via a lift, comprises a kitchen; reception room; bedroom; and bathroom with WC.
13. A parking space, located with the basement, is allocated to the property. There are no private or communal gardens.
14. The property has electric storage heating and secondary glazing, both provided by the landlord.
15. White goods, furniture, carpets and curtains are provided by the tenant.
16. No service charges or charges for utilities are included in the rent.

Submissions – Tenant – (summarised)

17. The tenant stated that he had occupied the property for in excess of fifteen years and that, during such time, the landlord had not carried out any improvements to, or modernisation of, the property. The tenant considered that the landlord did not respond to notified issues of disrepair in a timely manner.
18. The tenant indicated that the small kitchen is unmodernised and that he was required to provide all white goods. He referred to the kitchen sink and some tiling as cracked.
19. The tenant considered the bathroom to be dated and the fittings mismatched.
20. The tenant referred to the windows as being difficult to operate, and to multiple plaster cracks of the internal walls.
21. Included within the tenant's submissions were a series of photographs showing the bedroom; kitchen; bathroom; and surface cracking of internal wall surfaces.

22. In regard to the rental value of the property the tenant considered that comparable rental properties are modernised and include the provision of white goods, carpets and curtains, and that most properties have the benefit of central heating and double glazing, whilst the property has neither.
23. The tenant advised that the property is considered small and, when having regard to its condition and the lack of landlord's provisions, that he considered the proposed rental increase, of 4.85%, excessive. In support, he referenced the Index of Private Housing Rental Prices June 2022, as published by the Office for National Statistics, which recorded an increase of 3% in private rental prices in the UK in the twelve months to June 2022.
24. The tenant did not provide any comparable rental lettings as evidence.

Submissions – Landlord

25. The landlord did not file any submissions in support of the proposed rent of £540.00 per month.

Determination

26. The Tribunal determines a market rent for a property by reference to rental values generally and to the rental values for comparable properties in the locality in particular. It does not take into account the present rent and the period of time which that rent has been charged, nor does it take into account the percentage increase which the proposed rent represents to the passing rent. In addition, the legislation makes it clear that the Tribunal cannot take into account the personal circumstances of either the landlord or the tenant.
27. The Tribunal assesses the rent for the property as at the date of the landlord's Notice and on the terms of the extant tenancy. The Tribunal disregards any improvements made by the tenant, but takes into account the impact on rental value of disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.
28. In determining the rent, the Tribunal has regard to any evidence supplied by the parties and the Tribunal's own general knowledge of market rental levels in the wider area.
29. The tenant referred to having lived at the property for in excess of fifteen years. However, the Assured Shorthold Tenancy was noted to have commenced on 1 April 2016. The tenant made reference to the current landlord acquiring the property and the Tribunal therefore assumes that the tenant had been in occupation prior to the current tenancy agreement. Either way, the duration of the tenant's occupation is immaterial to the market rent determination.
30. Neither the tenant nor landlord provided any comparable evidence for consideration. The Tribunal therefore relies on its own expert knowledge of the local rental market.

31. Having consulted the National Energy Performance Register online, the Tribunal noted the property to have an Energy Performance Certificate (EPC) Rating of D, and a recorded floor area of 50m².
32. In determining the market rent, the Tribunal has regard to whether the property meets the standard of accommodation, repair and amenity of a typical modern letting. In this instance the Tribunal determined that the subject property fell short of the standard required by the market.
33. The property has no central heating, instead relying on electric storage heaters, whilst windows are secondary glazed. It is the Tribunal's experience that the rental market favours properties with central heating and double glazing, and will downwardly adjust values accordingly where these are absent.
34. The Tenant's photographic evidence supports the assertion that the property, and in particular the kitchen and bathroom, are unmodernised and dated. There is also evidence of plaster cracking to the internal wall surfaces which may, or may not, be superficial but at a minimum is considered unsightly.
35. The tenant claims that he furnished the property with white goods, carpets and curtains and, in the absence of any evidence to the contrary from the landlord, the Tribunal finds as such.
36. Based on the knowledge of its members, the Tribunal finds that the market for this type of property is sensitive to condition and inventory, and will be priced accordingly
37. The Tribunal considers the property to be well situated in terms of local amenities, public transport and access to the seafront, albeit the Tribunal weighs this against potential noise disturbance from traffic and pedestrians. The provision of allocated parking is also considered to be of significant benefit.
38. The Tribunal, acting as an expert Tribunal, and having regard to its own specialist knowledge, determined the rent which the Property could be expected to achieve on the open market if it were in a condition and state of modernisation considered usual for such a letting would be £750.00 per calendar month.
39. However, the subject property is not in a condition considered typical of a modern letting at a market rent. The kitchen and bathroom are dated, the property lacks some general maintenance, there is no central heating or double glazing, and the white goods, carpets and curtains are provided by the tenant. Accordingly, and in reflection of such differences, the Tribunal makes a deduction of 20% from the hypothetical open market rent.
40. Deducting a total of 20%, the Tribunal arrived at, and hereby determines, an adjusted Market Rent of £600.00 per calendar month.

41. The rental figure determined by the Tribunal exceeds that proposed by the landlord. Such figure is the maximum rent payable however the landlord is under no obligation to charge the full amount.
42. The Tenant made no submissions to the Tribunal in regard to delaying the effective date of the revised rent on grounds of hardship. Accordingly, the rent of £600.00 will take effect from 1 August 2022, that being the date stipulated within landlord's notice.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.