



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

Case reference : **LON/00BA/MNR/2022/0093**

Property : **Room 6
14 Burley Close
Norbury
London SW16 4QQ**

Applicant : **Mr Chidi Ekwuabu**

Representative : **In Person**

Respondent : **Rugare Properties Ltd**

Representative : **Urbanhome
Mr Lee Dunbarton**

Date of application : **6 June 2022**

Type of application : **Determination of the market rent under
s.14 of the Housing Act 1988**

Tribunal members : **Mr I B Holdsworth FRICS MCI Arb
Alan Ring**

Venue : **Remote**

Date of decision : **8 September 2022**

DECISION

**The Tribunal determines the rent payable from 1st July 2022 is
£700 per month.**

Background

- 1 The Tenant made an application to Tribunal on 6th June 2022 seeking a determination of the rent payable under s.14 of the Housing Act. The rent passing at the date of the application was £690 per month.
- 2 The tenancy is an assured shorthold tenancy which commenced on 11 January 2021.
- 3 The Tribunal received written representations from the Tenant and the Landlord.

The property

- 4 The property is a single room with shared kitchen and bathroom/WC facilities, located within a house in multiple occupation (HMO) licenced for seven room occupancy.
- 5 Room 6, the Applicant's room, is on the ground floor, adjacent to a communal kitchen and sitting area.
- 6 The Tribunal is told the room is let furnished, with all carpets, other floor coverings and furniture being provided by the Landlord.
- 7 The property has all mains services, including gas-fired central heating.
- 8 The rent charged includes the costs of all utility services, broadband and Council tax.

The Hearing

- 9 The Applicant, Mr Chidi Ekwuabu, and Mr Dunbarton, the Respondent's representative, attended a video hearing on 8th September 2022. A face-to-face hearing was not requested by either party.

Preliminary jurisdiction issue

- 10 The Tribunal reviewed the Notice of Rent Increase dated 26 May 2022, provided in the bundle of papers submitted with the Application and noted that the Notice had three defects, namely:
 - (i) The rental period was not specified in the Notice.
 - (ii) There was no currency denomination of the proposed rent; and
 - (iii) The name stated in the Notice to be the Landlord appeared to be a company acting as the Landlord's agent.
11. Section 13(2) of the Housing Act 1988 requires a Landlord to serve the Notice to increase rent "in the prescribed form".

"For the purpose of securing an increase in the rent under a tenancy to which this section applies, the landlord may serve on the tenant a notice in the prescribed form

proposing a new rent to take effect at the beginning of a new period of the tenancy specified in the notice,”

12. The prescribed forms are set out in a Schedule to the Assured Tenancies and Agricultural Occupancies (Forms) (England) Regulations 2015 (the “Forms Regulations”).

13. The prescribed form that should have been used by the landlord was Form No 4.

“d) for a notice under section 13(2) proposing a new rent for an assured tenancy of premises situated in England, Form No. 4”

14. Mr Dunbarton was questioned over these omissions in the served Notice. He told Tribunal that they use a standard ARLA template, and they had completed the template to the best of their ability. He said that these omissions would be reported to ARLA.

15. The Tribunal asked the Applicant whether he had been disadvantaged by the failings in the Notice. He said he was able to understand the meaning and purpose of the served Notice. However he was concerned that the correct name for the Landlord name was not shown in the Notice and he remained uncertain as to his landlord’s identity.

16. Mr Dunbarton said the property was managed by Urbanhome. He explained the owners, Rugare Properties Ltd are medical staff who have little or no available time to deal with queries from the tenants.

17. The Tribunal acknowledge the Notice served on the Applicant has three failings and may be deemed invalid. In their deliberations the Tribunal had regard to the authority **NATT –v– Osman (2013 EWCA Civic 584)** referred to in the recent Upper Tribunal Determination between **Ian George Johnson and Richmond Housing Partnership Limited (2022 UKUT80(LC))** in which the First Tier Tribunal are directed to allow procedure to continue provided *substantial statutory compliance* is achieved by a prescribed notice.

18. Any interpretation of the submitted Notice requires an understanding of the tenancy terms. A copy of the tenancy agreement is available to the Applicant, and it is reasonable to expect the Notice to be read in conjunction with the agreement. Failure to include the Landlord's name is of concern to Tribunal, particularly given that this was raised by the Applicant. Tribunal did not decide the failure to include the currency denomination of the rent, or the frequency of the period to which the stated amount applies, are fatal flaws.

19. Although the Notice of Increase served on the tenant failed to satisfy all statutory requirements, in the opinion of Tribunal it achieved substantial statutory compliance. The defects did not prevent the recipient from understanding the meaning and purpose of the Notice. The landlord’s agent agreed at the hearing to provide landlord details to remedy that deficiency. The other deficiencies were not deemed fatal to the statutory compliance.

20. The Tribunal concludes substantial compliance with the statutory requirements is achieved by the Notice and that it had jurisdiction to determine the matter.

Determination of Market Rent

21. The Applicant provided an oral submission in which he detailed the dilapidation at the dwelling. This included penetrating rainwater through the kitchen/ sitting room and bedroom roof coverings, a damaged shower door and defective/damaged internal surfaces in the ground floor bathroom/WC.

22. The Applicant explained that during periods of high rainfall water penetrates the roof covering and causes damage to internal surfaces and household effects. He alleged was reported to the managing agents on several occasions. He explained to Tribunal that recent attempts by workmen instructed by the managing agents had failed to remedy the defects. He described the workmanship as 'shoddy'. The Applicant also alleged that, due to the failed shower door, water leaks from the bathroom into the hallway following use of the shower cubicle.

23. The Applicant described how the extraction system in the bathroom was inadequate and led to excessive condensation on wall surfaces.

24. Mr Dunbarton, the representative of the managing agent, told the Tribunal that in or around January 2021 repair works were carried out to the roof covering. He said that since these works were carried out, he was not aware of further complaints from any of the tenants. It is his opinion that the minor defects to the shower cubicle did not impact upon the use of the shower and that there was adequate extraction of moist air from the ground floor bathroom.

25. Mr Dunbarton told Tribunal that recent lettings at the subject property included the following:

Room 2 – let at £740 per month

Room 3 – with en- suite bathroom/WC, let at £770 per month

Room 8 – with en- suite and of a similar size to Room 6 was let over the last few months at £800 per month

Room 1 – also with en- suite, at £825 per month

He contended that these rents supported the proposed rent for Room 6 at £755 per month.

Inspection

26. No inspection of the premises was carried out. This was not requested by either the Applicant or the Respondent.

Written submissions

27. The Landlord in written submission emphasised the size of the room occupied by the Applicant. The Landlord also provided details of recent works to the property.
28. The Applicant submitted details of the dilapidation to the property, including photographs of the damaged ceiling in his bedroom and the communal areas.

The law

29. The Tribunal must first determine that the landlord's notice under section 13(4) satisfied the requirements of that section and was validly served.
30. The Housing Act 1988 s.14 then 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.
31. In so doing the Tribunal is 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.
32. A copy of the relevant legislation is at Appendix A.

Valuation

33. The Tribunal has had regard to the comparable rental evidence supplied by the Landlord's agent. The Tribunal accepts the open market rental value would be £755 per month for a room of this size, without an en-suite.
34. The property exhibits some dilapidation, with water penetration to the communal area and Room 6.
35. It is acknowledged all soft furnishings, white goods and furniture are provided by the Landlord. They also pay all service and utility charges for the property.
36. The adjustments made from market rent to reflect the dilapidation are shown in table 1 below:

Room 6, 14 Burley Close, London, SW16 4QQ (LON/00BA/MNR/2022/0093)			
Market rent calculation in accordance with Housing Act 1988 Section 13			
Market rent		£755.00 per month	
		Amount per month	Deduction as %
Disregards			
None			
Dilapidations			
Water penetration to bedroom and communal area in addition to shower cubical door defect		£56.63	7.50%
	Adjustment total	£56.63	7.50%
Adjusted Market Rent		<u>£698.38</u>	per month
Section 14 Market Rent	Say	<u>£700.00</u>	per month

37. After careful consideration the Tribunal determines that a deduction from market rent of 7.5% was appropriate and reasonable to reflect the dilapidation of the property.
38. The Tribunal is cognisant of the size of the room occupied by the Applicant and the buoyant demand for accommodation in this area of Greater London.

Decision

39. The Tribunal first determined that substantial compliance with the statutory process had validated a defective Rent Notice under s.14. After deliberation it was satisfied the minimum statutory requirements were met and it was served in time.
40. In coming to its decision to the rent the Tribunal applied the relevant law appended at Appendix A.
41. The decision of this Tribunal has regard for the evidence provided in the written submissions of the parties and that gathered at the Hearing.
42. After careful consideration the Tribunal determines that a rent of **£700 per month** is appropriate for rental of the room in present condition.
43. This rent will take effect from 1st July 2022, being the date specified in the Notice of Increase.

Name: Ian Holdsworth **Date of** 15 September 2022
Valuer Chairman **reasons:**

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.