



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

**Case Reference** : **LON/00BC/MNR/2021/0048**

**Property** : **94 Westbury Road, Ilford, Essex  
IG1 3BW**

**Applicants** : **Mr & Mrs A & S Allaoui**

**Respondent** : **Gurvinder Kaur Kataria**

**Representative** : **B Bailey & Co Ltd**

**Type of Application** : **Market rent under section 13 of the  
Housing Act 1988**

**Tribunal Members** : **Judge Nicol  
Mr S Johnson MRICS**

**Date of Decision** : **15<sup>th</sup> July 2022**

**Date of Reasons** : **30<sup>th</sup> September 2022**

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**REASONS FOR DECISION**

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**Decision of the Tribunal**

As per the Applicants' request, the Tribunal's reasons for its determination that the market rent is £190 per week are set out below.

The relevant statutory provisions are set out in the Appendix to this decision.

**The Tribunal's reasons**

1. In the Tribunal's decision dated 15<sup>th</sup> July 2022 the market rent for the subject property was determined to be £190 per week. By email dated 25<sup>th</sup> August 2022, the Applicants asked for the Tribunal's reasons for its decision.
2. On 15<sup>th</sup> January 2021 the Respondent's agents, B Bailey & Co Ltd, served the Applicants with a notice under section 13 of the Housing Act 1988 proposing a new rent for their tenancy at the subject property, increasing it from £165 per week to £190. By application dated 19<sup>th</sup> February 2021, the Applicant referred the notice to the Tribunal.
3. The Tribunal heard the application on 15<sup>th</sup> July 2022. It was attended only by Mr Allouai, the first Applicant.
4. The subject property is a two-storey terraced house comprising 3 bedrooms, a living room, a kitchen and a bathroom/WC, with front and rear gardens. There is central heating but no double-glazing. The carpets, curtains and white goods are provided by the Applicants. The Applicants further stated in their written representations:

The tenant has made considerable improvements to the property to include a complete refitting and plastering of walls and also decorating the property to a high standard using good quality materials. The tenant has been in situ since 1990 and no work was ever conducted by the Landlord of the premises. The Tenant is able to show that he has spent considerable sums of money on the improvements as the property had fallen into a state of disrepair and despite repeated requests the Landlord would not carry out any work at the property which the Tenant then dealt with himself, and at his own expense.

Since 1990, the tenant has undertaken all the repairs and refurbishments on the property, including but not limited to: a new Bathroom, a new Kitchen, new (electricity) wiring for the property, plastering for the property, a new garden terrace has been fitted, a new double glass door implemented backing onto the garden, the installation of wooden laminate floor for the whole property, general painting and decorating. The tenant fully refurbished the property, because the property had fallen into a state disrepair.

The current landlady purchased the property from the tenant's first landlady (Madeleine Jenkins). The previous landlady was required to carry out substantial repairs to the property, but never did so. In a similar vain, the current landlady has also refused to carry out any repairs or refurbishment to the property.

The tenant states that following an attempted break in at this property, the panes of glass in the front door to the property had been smashed. The tenant requested that the front door be replaced but this was never done so. Instead, the smashed panes of glass have been boarded up with cardboard, which remains the case to date (see attached exhibit).

In addition, all of the windows of the property are single glazed being at least 30 years old. The windows have never been replaced whilst the

tenant has resided at the property. As a result, the property is extremely cold and using the central heating system does little to rectify this.

Further to this, the taps in the bathroom are broken which makes use of this facility very difficult.

The tenant has raised all of the above with the landlady but no repairs have been effected. The tenant believes that this is an attempt to force him out of the property.

5. Attached to the written representations were photos showing the poor condition of the front door. Mr Allouai expanded on these representations orally. He said that the previous landlord, Ms Jenkins, had been ordered by the Ilford County Court to carry out works in 2002/3 but she sold the property soon after. His solicitors of that time did not assist him to enforce the order and the works were not done. He has not since taken legal action. He asserted that the Respondent was putting up the rent to try to force him out.
6. The Respondent's agents had provided written representations which included photographs of the property and an internal plan. They accepted that the Applicants had installed the kitchen and bathroom and carried out a number of repairs. However, they asserted that the rental market is so dysfunctional that the state of repair of the property would make no difference to the rent.
7. They provided two schedules of what they said was evidence of comparable properties. One of the schedules was compiled from the agents' own lettings. They argued that a market rent for a property of this type in this area would be £1,700 per month but accepted that a discount would have to be made. They calculated the discount by the approximate capital value of the Applicants' expenditure on repair and improvement and came up with a weekly rent of £357 – they pointed out that this was significantly more than the rent sought.
8. The Tribunal accepts the Respondent's assessment of a market rent for this type of property in this locality at around £1,700 per month. This is consistent with the Tribunal's own expert knowledge and experience of the local market.
9. However, the Tribunal rejects the idea that condition is irrelevant to the rent that may be achieved in the market, or that capitalising works is the best way to assess any deduction. Adjustments have to be made for differences between the subject property, ignoring the Applicants' improvements, and others commonly on the market:
  - (a) The modernisation or refurbishment of kitchens and bathrooms;
  - (b) The provision of curtains, carpets and white goods; and
  - (c) Differing terms as to repair and decoration.
10. An adjustment also had to be made for the condition of the subject property. In particular, the current condition of the front door and the windows presents poorly.

11. In the circumstances, the Tribunal assessed that an appropriate deduction for all these matters would be 30%, bringing the market rent for this property down to £1,190 per month, or £275 per week.
12. This assessment is not as high as the Respondent's but still significantly higher than the amount sought by the Respondent. Therefore, the Tribunal decided to confirm the rent sought by the Respondent of £190 per week.

**Name:** Judge Nicol

**Date:** 30<sup>th</sup> September 2022

## **Appendix of relevant legislation**

### **Section 13 Increases of rent under assured periodic tenancies.**

- (1) This section applies to—
  - (a) a statutory periodic tenancy other than one which, by virtue of paragraph 11 or paragraph 12 in Part I of Schedule 1 to this Act, cannot for the time being be an assured tenancy; and
  - (b) any other periodic tenancy which is an assured tenancy, other than one in relation to which there is a provision, for the time being binding on the tenant, under which the rent for a particular period of the tenancy will or may be greater than the rent for an earlier period.
- (2) 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, being a period beginning not earlier than—
  - (a) the minimum period after the date of the service of the notice; and
  - (b) except in the case of a statutory periodic tenancy—
    - (i) in the case of an assured agricultural occupancy, the first anniversary of the date on which the first period of the tenancy began;
    - (ii) in any other case, on the date that falls 52 weeks after the date on which the first period of the tenancy began; and
  - (c) if the rent under the tenancy has previously been increased by virtue of a notice under this subsection or a determination under section 14 below—
    - (i) in the case of an assured agricultural occupancy, the first anniversary of the date on which the increased rent took effect;
    - (ii) in any other case, the appropriate date.
- (3) The minimum period referred to in subsection (2) above is—
  - (a) in the case of a yearly tenancy, six months;
  - (b) in the case of a tenancy where the period is less than a month, one month; and
  - (c) in any other case, a period equal to the period of the tenancy.
- (3A) The appropriate date referred to in subsection (2)(c)(ii) above is—
  - (a) in a case to which subsection (3B) below applies, the date that falls 53 weeks after the date on which the increased rent took effect;
  - (b) in any other case, the date that falls 52 weeks after the date on which the increased rent took effect.
- (3B) This subsection applies where—
  - (a) the rent under the tenancy has been increased by virtue of a notice under this section or a determination under section 14 below on at least one occasion after the coming into force of the Regulatory Reform (Assured Periodic Tenancies) (Rent Increases) Order 2003; and
  - (b) the fifty-third week after the date on which the last such increase took effect begins more than six days before the anniversary of the date on which the first such increase took effect.
- (4) Where a notice is served under subsection (2) above, a new rent specified in the notice shall take effect as mentioned in the notice unless, before the beginning of the new period specified in the notice,—
  - (a) the tenant by an application in the prescribed form refers the notice to the appropriate tribunal; or
  - (b) the landlord and the tenant agree on a variation of the rent which is different from that proposed in the notice or agree that the rent should not be varied.
- (5) Nothing in this section (or in section 14 below) affects the right of the landlord and the tenant under an assured tenancy to vary by agreement any term of the tenancy (including a term relating to rent).

### **Section 14 Determination of rent by tribunal**

- (1) Where, under subsection (4)(a) of section 13 above, a tenant refers to the appropriate tribunal a notice under subsection (2) of that section, the appropriate tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the appropriate tribunal 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 making a determination 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 a 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, at all times 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.
- (3A) In making a determination under this section in any case where under Part I of the Local Government Finance Act 1992 the landlord or a superior landlord is liable to pay council tax in respect of a hereditament ("the relevant hereditament") of which the dwelling house forms part, the appropriate tribunal shall have regard to the amount of council tax which, as at the date on which notice under section 13(2) above was served, was set by the billing authority—
  - (a) for the financial year in which that notice was served, and
  - (b) for the category of dwellings within which the hereditament fell on that date, but any discount or other reduction affecting the amount of council tax payable shall be disregarded.
- (3B) In subsection (3A) above—
  - (a) "hereditament" means a dwelling within the meaning of Part I of the Local Government Finance Act 1992,
  - (b) "billing authority" has the same meaning as in that Part of that Act, and

- (c) "category of dwellings" has the same meaning as in section 30(1) and (2) of that Act.
- (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, in respect of council tax 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.
- (5) Where any rates in respect of the dwelling-house concerned are borne by the landlord or a superior landlord, the appropriate tribunal shall make their determination under this section as if the rates were not so borne.
- (6) In any case where—
- (a) the appropriate tribunal have before them at the same time the reference of a notice under section 6(2) above relating to a tenancy (in this subsection referred to as "the section 6 reference") and the reference of a notice under section 13(2) above relating to the same tenancy (in this subsection referred to as "the section 13 reference"), and
  - (b) the date specified in the notice under section 6(2) above is not later than the first day of the new period specified in the notice under section 13(2) above, and
  - (c) the appropriate tribunal propose to hear the two references together,
- the appropriate tribunal shall make a determination in relation to the section 6 reference before making their determination in relation to the section 13 reference and, accordingly, in such a case the reference in subsection (1)(c) above to the terms of the tenancy to which the notice relates shall be construed as a reference to those terms as varied by virtue of the determination made in relation to the section 6 reference.
- (7) Where a notice under section 13(2) above has been referred to the appropriate tribunal, then, unless the landlord and the tenant otherwise agree, the 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.
- (8) Nothing in this section requires the appropriate tribunal to continue with their determination of a rent for a dwelling-house if the landlord and tenant give notice in writing that they no longer require such a determination or if the tenancy has come to an end.
- (9) This section shall apply in relation to an assured shorthold tenancy as if in subsection (1) the reference to an assured tenancy were a reference to an assured shorthold tenancy.