

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

Case reference : CAM/42UD/MNR/2022/0053

HMCTS code : P: PAPERREMOTE

Property : 53 St Edmund House Rope Walk

**Ipswich IP4 1NF** 

Applicant : Ahmed Almradi & Afaf Etafeh

Respondent : Sequence UK Ltd

Section 14 of the Housing Act 1988

Type of application : Determination of market rent

payable.

Tribunal member(s) : Mr A Tomlinson BSc(Hons) MRICS

**Mrs M Hardman FRICS** 

IRRV(Hons)

Date of decision : 5 October 2022

#### **DECISION**

## Covid-19 pandemic: description of hearing

A. This has been a remote hearing on the papers which the parties are taken to have consented to, as explained below. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because all issues could be determined on paper.

#### **Decision:**

1. The Tribunal determined a rent of £980 per calendar month to take effect from 25 August 2022.

#### Reasons

### **Background**

- 2. The Landlord by a notice in the prescribed form dated 27 May 2022 proposed a new 'rent' of £980 per calendar month to be effective from 25 August 2022. On 11 June 2022 the tenants referred the Notice to the Tribunal. This was in lieu of the previous rent of £950 per month.
- 3. Parties were requested to complete a pro forma supplying details of the accommodation on a room by room basis, the features of the property (central heating, white goods, double glazing, carpets and curtains) and other property attributes and any further comments that they may wish the tribunal to take into consideration. This could include any repairs and improvements that had been made, any comments on the condition of the property and rentals of similar properties should they wish to rely on these.
- 4. The determination would take place based on the submissions from both parties unless either party requested a hearing. Evidence was submitted by the landlord and the tenant. There was no request for a hearing.

### The Property

- 5. The property is a modern purpose-built top floor flat located close to Ipswich town centre.
- 6. The accommodation comprises an entrance hall, cloakroom with W.C., two double bedrooms with ensuites, a third single bedroom, open plan living room and kitchen.
- 7. There are two allocated parking spaces.
- 8. Heating is via electric heaters.
- 9. The windows are double glazed.

#### The Tenancy

10. The Tenancy commenced as a contractual Assured Shorthold Tenancy for a fixed term of 12 months from 25 June 2021. A copy of the agreement dated 25 June 2021 was provided. From 25 June 2022 a

statutory tenancy on the terms of the written agreement appears to have arisen. Section 11 of the Landlord and Tenant Act 1985 applies in respect of Landlord's repairing obligations

#### The Law

- 11. By virtue of section 14 (1) Housing Act 1988 the Tribunal is to determine a rent at which the dwelling concerned might reasonably be expected to be let in the open market by a willing landlord under an assured periodic 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 subject tenancy
- 12. By virtue of section 14 (2) Housing Act 1988 in making a determination the Tribunal shall 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 attributable to a relevant improvement (as defined by section 14(3) Housing Act 1988) carried out by a tenant otherwise than as an obligation; and
  - (c) any reduction in the value of the dwelling due to the failure of the tenant to comply with any terms of the subject tenancy.

# **Representation - Landlord**

- 13. The landlord said that they pay the service charge which covers: buildings insurance, building and building infrastructure maintenance, ground rent, common areas maintenance (cleaning lighting and gardening), and contents insurance for items provided by the landlord.
- 14. They provided a Rightmove Best Price Guide based on a search of properties within 0.25 miles of the postcode, marketed between 1 January 2021 and 3 August 2022. This comprised six 2-bedroomed apartments.
- 15. The landlord did not indicate which they regarded as the best or most alike comparables but said that the proposed rent increase was approximately 3% at a time when inflation is running at around 9%.
- 16. Asking rents for properties listed ranged from £925 to £995 per calendar month.

## **Representations – Tenants**

- 17. The tenants confirmed the accommodation details provided by the landlord.
- 18. They agreed that the Landlord supplied the floor coverings, curtains and cooker.
- 19. The tenants said that they had seen a similar apartment in the same building available at an asking rent of £850 in June 2021 although it was described as a 2 bedroom apartment with small storage room.
- 20. The tenants also commented on the cost of running the electric heating and that the Council tax is band C.
- 21. The tenants felt that in light of the above they should have received a rent reduction at the end of the initial 12 month tenancy.

#### **Determination**

- 22. 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 existing rent.
- 23. In addition, the legislation makes it clear that the Tribunal cannot take into account the personal circumstances of either the landlord or the tenant.
- 24. The Tribunal assesses a rent for the Property as it is on the day of the hearing disregarding any improvements made by the tenant but taking into account the impact on rental value of any disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.
- 25. The tribunal has reviewed the comparables provided by the landlord.
- 26. These properties appear to be smaller with 2, rather than 3, bedrooms but modern, purpose-built, and close to the subject property.
- 27. It is not clear whether those listed as Let agreed are showing the initial asking rent or the rent achieved.

Having regard to the comparables and applying its profession judgement and expertise the tribunal is of the opinion that the open market rental value for a 2 bedroom apartment in this location is likely to be around £925 per month. Making an adjustment to reflect the additional single bedroom the tribunal determines that the rental value of the property should be adjusted by an addition of £55/month.

28. On this basis the tribunal believes that the rental value for the property would be in the region of £980 per month and makes its determination on this basis.

### Alan Tomlinson BSc(Hons) MRICS Valuer Chair

# Rights of appeal

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).