



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

**Case reference** : **LON/00AL/MNR/2022/0113**

**Property** : **9A Plumstead High Street London SE18  
1SA**

**Applicant/Tenant** : **Mr Dennis Gray**

**Representative** : **In person (written representations)**

**Respondents/  
Landlords** : **Grandish Limited**

**Representative** : **Evergreen Estates**

**Type of application** : **Sections 13 and 14, Housing Act 1988**

**Tribunal members** : **Mr Charles Norman FRICS  
Valuer Chairman  
Mr Nat Miller**

**Date of Decision** : **20 September 2022**

**Date of Reasons** : **2 November 2022**

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**REASONS**

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## **Background**

1. On 14 July 2022 the tenant of the above property referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988 (“the Act”).
2. The landlord’s notice, which proposed a rent of £1,100 per month is dated 22 June 2022. The notice proposed a starting date for the new rent of 1 August 2022. The rent passing was stated as being £500 per month.
3. The tenancy is an assured periodic tenancy. From the tenancy agreements supplied by the tenant, the first assured tenancy commenced on 14 March 1993. Subsequently, the tenancy was renewed on 1 April 2002, 1 April 2005 and 20 March 2009.
4. On 20 September 2022 the Tribunal issued its Notice of Decision, finding that the rent was £750 with effect from 1 August 2022. Subsequently, the landlord requested reasons.
5. The Tribunal issued directions on 28 July 2022, setting the matter down for a paper determination unless either party requested a hearing which neither did. However the tenant requested an inspection, and this took place on 20 September 2022 in the presence of the tenant. The landlord was not represented. The directions required each party to complete and return a pro forma Reply Form together with any comparables and/or other documents upon which the parties wished to rely.

## **Inspection**

The property is a first floor one bedroom flat in a converted end of terrace Victorian house. The building is of rendered brick under a pitched tiled roof. The building abuts a commercial garage and faces a busy and noisy three lane main road. The property comprises a kitchen with wall and floor units and tenant’s white goods. There is a small bathroom /WC .a double bedroom and living room. The windows are UPVC. The property has gas fired central heating.

## **The landlord’s Case**

6. Evergreen Estates submission may be summarised as follows. They were not aware of any tenancy agreement predating 2009. The lowest market value for a one bed flat [in the vicinity] was £1,150 but as Mr Gray was an existing tenant the proposed increase was to £1100. The landlord also stated “ taking into consideration that the market rent for a 1 bedroom flat has been around £1000 [pcm] going back at least 5-6 years, the tenant has underpaid rent of around [£30-£35,000] and

therefore even though he made some improvements which we would value to a max of £4,000..... It can be considered that this money should've been paid as rent...". The landlord also submitted that only improvements carried out during the current tenancy fell to be disregarded.

### **The Tenant's Case**

7. The tenants case may be summarised as follows. When he moved in [in 2003] the flat was in a state of disrepair having been used previously as a squat. There had been past rodent and cockroach infestations. He had provided white goods, carpets, and curtains. He had carried out the following improvements since 2003: roof repairs, skimmed and plastered internal walls, damp proofed hallway, replaced front door , had laid flooring , had painted the flat interior, boxed in utility matters, repaired bathroom leaks, refitted toilet, supplied alarm, stripped internal doors. The tenant did not refer to comparables.

### **The Law**

8. The law as to the Tribunal's approach is given at section 14 of the Act which insofar as relevant is as follows:

*(1)Where, under subsection (4)(a) of section 13 above, a tenant refers to a Tribunal a notice under subsection (2) of that section, the Tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the 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;*

*[...].*

*(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.*

*(emphasis added)*

## **Findings**

9. The Tribunal finds that the property has been held under assured tenancies since 14 March 1993. In light of section 14(2) above, the earliest date in respect of which qualifying improvements could have been carried out was 21 June 2021, being 21 years prior to the service of the current s 13 notice. However, all the claimed improvements took place from 2003 or later. The Tribunal therefore rejects the landlord's submission that only improvements carried out under the current tenancy from 2009 could be disregarded.
10. Had the property been in very good condition usual for an assured shorthold tenancy the Tribunal accepts the landlords case that the rent would have been £1,150 per calendar month. However, the Tribunal must disregard tenants' improvements. The Tribunal accepts the tenant's submissions as to improvements carried out and their dates. It rejects the landlords submission in relation to past rents being relevant to this issue.

11. The Tribunal does not consider that internal redecoration is an improvement, but allows for the following: tenants white goods curtains, and floor coverings (10%), bathroom tiling and refitting toilet and sink (5%), damp proofing hallway, stripping interior doors, and replacing the front door (10%) and carrying out roof repairs (5%). In addition the Tribunal considered that the existing kitchen required a 5% adjustment in light of its condition. These adjustments aggregated to 35%. Therefore, the Tribunal made an adjustment of £402.50 from £1,150 leaving a rent of £747.50. This the Tribunal rounded up to £750 per month.

Mr Charles Norman FRICS  
Valuer Chairman

2 November 2022

### **ANNEX - RIGHTS OF APPEAL**

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.