



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

Case Reference : **CHI/00ML/MNR/2022/0065**

Property : **24a Sussex Square
Brighton
BN2 5AB**

Applicant Tenant : **Mr R C Reeve**

Representative : **None**

Respondent Landlord : **Mrs C L M Ludlow**

Representative : **Dean Wilson LLP**

Type of Application : **Determination of a Market Rent sections
13 & 14 of the Housing Act 1988**

Tribunal Members : **Mr I R Perry BSc FRICS
Mr C M Davies FRICS ACI Arb
Mr N I Robinson FRICS**

Date of Inspection : **None. Paper determination**

Date of Decision : **26th October 2022**

DECISION

Summary of Decision

1. On 26th October 2022 the Tribunal determined a market rent of £800 per month to take effect from 20th June 2022.

Background

2. The case concerned the determination of a market rent for the subject property following a referral of the Landlord's notice of increase of rent by the Tenant pursuant to sections 13 and 14 Housing Act 1988.
3. On 16th May 2022 the Landlord's Agent served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £1,200 per month in place of the existing rent of £800 per month to take effect from 20th June 2022. The notice complied with the legal requirements.
4. On 12th June 2022 the Tribunal received an application from the Tenant under Section 13(4) (a) of the Housing Act 1988.
5. The Coronavirus pandemic and considerations of health have caused a suspension of inspections and Tribunal hearings in person until further notice.
6. The Tribunal issued directions on 25th August 2022 detailing its preliminary view that the Notice was defective because the starting date for the new rent did not appear to take effect at the commencement of a new period of the tenancy, and that the Tribunal was therefore minded to strike out the application.
7. The Respondent's Agent replied pointing out that the rent repayment date in the Agreement is the 20th of each month and as such the rent increase date in the Notice was correct. The Tribunal accepted this explanation and issued a further set of directions on 31st August 2022 informing the parties that, unless either party objected, the Tribunal intended to determine the rent based on written representations. The parties were invited to make submissions which could include photographs or videos.
8. The parties were notified that the Tribunal would seek to view the property on the internet.
9. Both parties submitted papers which were also copied to the other party.
10. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 26th October 2022 based on the written representations received.

The Property

11. From the information given in the papers and available on the internet the property comprises a basement flat within a 6-storey converted terraced property in a popular residential area, approximately 250 yards from Brighton beach.

12. The accommodation includes a Living Room, Bedroom, Kitchen, Bathroom and Utility. There is a residents permit parking scheme in place and the property has a shared garden. There is a gas-fired central heating system. The property has a 'C' Energy Performance Rating

Submissions

13. Mr Reeves has occupied the property since June 2005, but the Tribunal was supplied with an Assured Shorthold Tenancy Agreement dated 1st January 2018.
14. Mr Reeves informed the Tribunal that he had supplied ceiling and wall light fittings. The Tribunal was also told that carpets, curtains and all white goods were provided by the Landlord.
15. With his application to the Tribunal Mr Reeves included an expert condition report prepared by Mr Patrick McDonald, a Chartered Building Surveyor who inspected the property on 12th October 2021. This report details a list of repair issues within the property which include an inadequate water drain from the kitchen sink, disintegration of chimney flue with bricks and mortar rubble falling into the living room fireplace, dampness throughout the flat, broken cooker and freezer, timber decay, defective electrical wiring, an unreliable gas boiler and inefficient radiators. The report from Mr McDonald included photographs in support of his comments.
16. Mr Reeves states that the property remains in the same condition as was noted by Mr McDonald some 12 months ago. The Landlord has not refuted any of these observations.

The Law

S14 Determination of Rent by First-tier Tribunal

- (1) Where, under subsection (4) (a) of section 13 above, a tenant refers to a First-tier 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; 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.
- (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.

Consideration and Valuation

- 17. The Tribunal first considered whether it felt able to reasonably and fairly decide this case based on the papers submitted only with no oral hearing. Having read and considered the papers it decided that it could do so.
- 18. The Tribunal is required to determine the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under an assured tenancy. The personal circumstances of the parties are not relevant to this issue.
- 19. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in Brighton the Tribunal decided that the market rent for the subject property if let

today in a condition that was usual for such an open market letting would be £1,150 per month.

20. However, the property is not in a condition that would be expected or required to achieve an open market rent and the Tribunal needed to adjust this rent to take account of the condition of the property.
21. Using its experience, the Tribunal decided that a total deduction of £350 per month should be made to reflect the condition of the property.
22. The Tenant made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenant undue hardship.

Determination

23. The Tribunal therefore decided that the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under the terms of this assured tenancy was £800 per month.
24. The Tribunal directed that the new rent of £800 per month should take effect from 20th June 2022, this being the date specified in the 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 to the First-tier Tribunal at the Regional office which has been dealing with the case. Where possible you should send your application for permission to appeal by email to rpsouthern@justice.gov.uk as this will enable the First-tier Tribunal Regional office to deal with it more efficiently.
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.