

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	LON/OOAT/MNR/2022/0094
Property	:	35 Inwood Road , Hounslow, Middlesex TW3 1UX
Applicant	:	Mr David Harriss
Representative	:	In Person
Respondent	:	Lifespace
Representative	:	In person
Type of application	:	Market Rent under s13 & 14 of the Housing Act 1988
Tribunal member(s)	:	Mr R Waterhouse MA LLM FRICS Mr O N Miller BSc
Date and venue of hearing	:	8 th November 2022 Video hearing
Date of Decision	:	8 th November 2022
DECISION		

Decision of the tribunal

The tribunal determines a rent of £138.50 per week, from the effective date of the proposed rent within the Landlords Notice of Rent Increase that is 20th June 2022.

Background

- 1. The tribunal received an application under section 13 of the Housing Act 1988 dated 8th June 2022 and received on the 8th June 2022.
- 2. An oral hearing was requested with an inspection.
- **3.** The tribunal at the directions setting hearing of 17th August 2022 considered the issue of validity of the landlords Notice. Both parties confirmed there was no written tenancy agreement. The tenancy started on a Monday; the rent is paid weekly on a Monday. The tribunal was therefore satisfied the Notice of Increase of Rent is valid and so has jurisdiction in this matter.

Applicant submissions.

4. The tenants application dated 8th June 2022, the accompanied with the Landlords Notice of Increase, and Reply Form undated.

The tenant's application form dated 8th June 2022 notes

- (i) The property comprises two bedrooms, one bathroom, one living room, a dining room, a kitchen and a garden.
- (ii) At section 7 the improvements the applicant Mr Harriss noted
 - a. Fully refurbished kitchen and bathroom
 - b. Re plastered walls
 - c. Replaced internal and external doors
 - d. Erected boundary fence
 - e. "All receipts handed over in previous hearings"
 - f. Most recent 2021 Gas Central Heating installed
 - g. Tiled kitchen wall

5.The landlord's Notice of Increase dated 20^{th} April 2022, proposed an increase in rent from £148.06 to £ 183.46 with effect from 20^{th} June 2022.

The reply form notes;

Under accommodation, living room 1, living room 2, kitchen, bathroom, bedroom 1 and bedroom 2 are all in "poor condition".

Central heating was supplied by the tenant, Double glazing to the extent it is present is supplied by landlord and tenant, carpets and curtains supplied by the tenant, white supplied by the tenants.

Under the improvement section the Applicant Mr Harriss notes, installed central heating, new boiler radiators signed off on 3^{rd} January 2022 by registered gas safety engineer.

Replaced carpet in living room dining room and hall way 2 years ago.

Tiled kitchen walls Feb 2022

Replaced boundary fence as old fence blown down summer 2021.

Erected fence on existing brick wall and gate at front of property.

At the Disrepairs and defects section Me Harriss the applicant noted

"The house was built in 1888 and it has been rented to my family since 1950's. The property has all original doors, walls and features, that quite obviously have disintegrated over the 130 + years. The people that own the property have done absolutely nothing to improve or maintain it."

Respondent's submission

6. None

The Inspection

The tribunal attended the property on 8th November 2022.

The property is situated in a residential road of similar terraced houses built in the late nineteenth century. On street parking is available.

The property is a two-storey end terrace house.

Externally the property appeared in fair structural order. The majority of windows were original single glazed sash windows. The mortar between the window and the brick walls were loose and coming away in places. At several places the guttering had become detached and which was causing water ingress to the property. The tribunal noted that some roofing slates had become detached.

The garden fence is leaning in part and the side garden wall is bulging and collapsed in places.

Internally, the property had central heating, the kitchen comprised work units and work tops, the bathroom was tiled.

Apart from the tenants' improvements the house is unmodernised and poorly maintained.

The law.

7.In accordance with the terms of section 14 Housing Act 1988, the tribunal proceeded to determine the rent at which it considered the subject property might reasonably be expected to let on the open market by a willing landlord and tenant.

In doing so the tribunal as required by section 14 (1) ignored the effect on the rental value of the property of any relevant tenant's improvements as defined by section 14 (2) of the Act.

Valuation

8. The appellant and current tenant Mr Harriss seceded the previous tenant Mr Harriss' grandfather. The previous tenant held the property under a protected tenancy. Upon succession by the current tenant Mr Harriss the law provides that the successor tenant Mr Harriss holds the property under a secure assured tenancy. All improvements carried out by the previous tenant under the protected tenancy revert to the landlord. All repairs and improvements carried out by the current tenant Mr Harriss under the secure assured tenancy fall to be excluded from the valuation.

9. Whilst the property is in poor condition, the condition for the purposes of the valuation must also exclude the current tenant's improvements.

The Decision

10. No evidence of rebuttal value was put to the tribunal by either party, The tribunal using its own knowledge noted that whilst there may be a case for an inflationary increase in the level of rent, the deterioration of the property between the date of inspection and the previous determination, offsets this.

11. Accordingly, the rent at which the property might reasonably be expected to be let on the open market remains unchanged at £138.50 per week.

Name: Chairman: Waterhouse I

Date: 8th November 2022.

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).

THE LEGISLATION

Housing Act 1988

s.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 <u>paragraph 11</u> or <u>paragraph 12 in Part I of Schedule 1</u> 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 <u>section 14</u>[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 <u>section 14</u> below on at least one occasion after the coming into force of the <u>Regulatory Reform (Assured Periodic Tenancies) (Rent Increases) Order 2003</u>; 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).

s.14.— Determination of rent by [tribunal].

(1) Where, under <u>subsection (4)(a) of section 13</u> above, a tenant refers to [the appropriate tribunal] a notice under <u>subsection (2)</u> of that section, the [appropriate tribunal]³ shall determine the rent at which, subject to subsections (2) and (4) below, the [appropriate tribunal]³ 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 <u>Grounds 1 to 5 of Schedule 2</u> 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 <u>subsection (1)</u> 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 <u>Part I</u> of the <u>Local Government Finance Act 1992</u> 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 the 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 relevant 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 <u>Part I</u> of the <u>Local</u> <u>Government Finance Act 1992</u>,

(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 <u>section 30(1) and (2)</u> of that Act.

(4) In this section *"rent"* does not include any service charge, within the meaning of <u>section 18</u> of the <u>Landlord and Tenant Act 1985</u>, 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 <u>section 6(2)</u> above relating to a tenancy (in this subsection referred to as "the section 6 reference") and the reference of a notice under <u>section 13(2)</u> 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]⁹ propose to hear the two references together,

the [appropriate tribunal] shall make a determination in relation to the <u>section 6</u> reference before making their determination in relation to the <u>section 13</u> reference and, accordingly, in such a case the reference in <u>subsection (1)(c)</u> 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 <u>section 13(2)</u> 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 <u>subsection (5)</u> 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,

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 committee 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.