



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

**Case Reference** : **BIR/00CN/MNR/2022/0046**

**Property** : **956 Pershore Road Birmingham B29 7PU**

**Tenants** : **Binoy Jude & Tanya Joseph**

**Landlord** : **KMG Properties Ltd**

**Landlord's agent** : **Oakmans Estate Agents Limited**

**Type of Application** : **An application under section 13(4) of the Housing Act 1988 referring a notice proposing a new rent under an Assured Periodic Tenancy, to the Tribunal.**

**Tribunal Member** : **V Ward BSc Hons FRICS – Regional Surveyor**

**Date of Decision** : **29 March 2023**

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**STATEMENT OF REASONS**

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## **BACKGROUND**

1. The Notice of Rent Increase served by the Landlord sought to increase the rental of the Property from £800.00 pcm to £1,100.00 pcm with effect from 1 July 2022. The Tenants' application was received on 9 June 2022.
2. On 9 December 2023, the Tenants vacated the Property.
3. By an email dated 22 January 2023, the Tenants confirmed that they wished the Tribunal to continue with its determination and further that they required a hearing.
4. The Property was originally let to the Tenants by way of an agreement dated 5 April 2018 (although a later date was given as 21 April 2018) and the term was given as 21 April 2018 to 20 April 2019. The rent under this agreement was given as £800.00 per calendar month payable on the first day of each month.

### **The Property**

5. The Tribunal carried out an inspection of the Property on 8 March 2023. The Tenant, Mr Binoy Jude was present although a representative of the Landlord was not, hence internal access to the Property was not possible. The Property was vacant and available for sale at the time of the inspection.
6. From the information gleaned from the external, front elevation inspection and the information provided by the parties, the Property comprises a traditional mid-terraced house with the following accommodation arranged over ground, first and second floors:

Two living rooms, four bedrooms, one bathroom and one shower-room.

Externally, there is a forecourt and rear garden.

The property benefits from gas fired central heating and double glazing.

It was agreed at the hearing that some carpets and curtains and also a cooker and dishwasher were included in the letting.

7. The Property is located approximately 3 miles to the south of Birmingham City Centre fronting onto the A441 Pershore Road. Selly Oak lies to the west and Stirchley to the south. There is a reasonable range of amenities within walking distance of the Property.

## **The Hearing**

8. An oral hearing by video platform was held following the inspection. Participants were Mr Jude and on behalf of the Landlord company, Mr Krasimir Krastev and Mrs Milena Traykova, both Directors.

## **The Submissions of the Parties**

9. The submissions of the parties both in writing and during the hearing can be summarised as follows.

### *The Tenants*

10. The Tenants stated that when the Property was originally let, it was let at a reduced rent to reflect its poor condition. They were also of the opinion that the Landlord had failed to maintain the Property in reasonable condition during the tenancy, being dilatory in responding to repair requests and at one point they had contacted Birmingham City Council in this regard. In this vein, the Tenants listed many defects/issues to the Property, including the following:
  - a) No window restrictors and keys were provided.
  - b) A smell from a septic tank attached to the bathroom next to kitchen was leaking which constituted a health hazard.
  - c) Poor quality carpets and curtains were provided by the Landlord.
  - d) Draft and mould issues relating to windows and bedrooms were not resolved leading to wallpaper falling off.
  - e) Bathroom leak.
11. During the hearing, Mr Jude stated that following the rent increase notice, he had agreed a revised rental of £825.00 per calendar month for the Property and had started to pay this amount. This was refuted by the Landlord who said that they had not agreed to that amount, and they required the market rent which in their opinion was £1,100.00 per calendar month.

### *The Landlord*

12. The Landlord's submissions included details of properties from the Rightmove property portal of properties in the same vicinity as the subject being offered at rentals in a range of £1,000 to £1,300.00 per calendar month. This evidence encompassed a variety of properties including terraced, semi-detached and detached houses some with off road car parking.
13. During the hearing, the Mr Krastev and Mrs Traykova stated that the Property was renovated before its letting to the Tenants and it was not let at a reduced rent. In

addition, they disputed that there had been an issue with carrying out repairs although they said that on occasions, access had been difficult.

## **THE LAW**

14. In accordance with the terms of section 14 of the Housing Act 1988 the Tribunal must determine the rent at which it considers that the subject property might reasonably be expected to let on the open market by a willing landlord under an assured tenancy.
15. In so doing the Tribunal, as required by section 14(1), must ignore the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of the Act.

## **VALUATION**

16. The Tribunal had regard to the evidence and submissions of the parties, the relevant law and their own knowledge and experience as an expert Tribunal but not any special or secret knowledge.
17. The Tenants requested the Tribunal carry out an HHSRS (housing health and safety rating system) inspection before determining the final rent. Whilst under other jurisdictions, the Tribunal may consider HHSRS ratings, it would not of its own volition carry one out before a rent determination. Nor does the Tribunal have the authority to order the Landlord to facilitate an internal inspection.
18. The contentious point in this determination is the condition of the Property as at the review date, 1 July 2022. As part of their submissions, the Landlord provided the inventory from when the Property was first let in 2018. Whilst this notes some defects, it does not appear to support the Tenants' contentions that the Property was initially let at a reduced rent to reflect poor condition. With regard to the condition of the Property at the review date, the Tenants have noted many deficiencies and the Tribunal notes the Tenants' email referral to Birmingham City Council however the Tribunal cannot see that this resulted in any formal action being taken by the Local Authority.
19. However, if a Property has been let for a period of five years, then even usual "wear and tear" will lead to a deterioration in its condition. The rental value must therefore be lower relative to a newly renovated Property
20. Initially, the Tribunal's determination considers what rent the landlord could reasonably be expected to obtain for the Property if it were let today in a condition usual for such lettings. It did this by using its own general knowledge of the market rent levels in south Birmingham and the evidence submitted. Taking all factors into account, the Tribunal concluded that the likely market rental would be approximately

£1,100.00 per calendar month. However, as the Property is not likely to be in the same condition as properties offered in the general market, having been occupied for five years, the Tribunal makes a deduction of 15% ie £165.00 per month which gives a rental of £935.00 per calendar month.

21. The rent determined by the Tribunal for the purposes of Section 14 was, therefore, £935.00 per calendar month with effect from 1 July 2022.

### **Appeal**

22. If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) **on any point of law arising from this Decision**. Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this decision (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013) stating the grounds upon which it is intended to rely in the appeal.

V WARD BSc (Hons) FRICS