



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

Case Reference : **JM/LON/00BG/MNR/2022/0198**

Property : **31 Arrow Road Bow London E3 3HE**

Applicant : **Anish Chowdhury and Rehana Akhter**

Representative : **Abdullah Al Imran Khan
(solicitor)**

Respondent : **Shaminur Rahman**

Representative : **-**

Date of Application : **21 November 2022**

Type of Application : **Determination of the market rent
under Section 14 Housing Act 1988**

Tribunal : **Mrs E Flint FRICS
Mr A Ring**

**Date and venue of
Determination** : **15 May 2023
10 Alfred Place London WC1E 7LR.**

DECISION

The market rent as at 1 December 2022 is £1600 per month.

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Background

1. On 21 November 2022, the tenant referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988.
2. The landlord's notice, which was dated 31 October 2022, proposed a rent of £2000 per month with effect from 1 December 2022 in place of the existing rent of £1400 per month.
3. The tenant occupies under an assured statutory tenancy following the expiry of an agreement for twelve months from 1 November 2014. The tenant first occupied the house in 2012.
4. Directions were issued by the tribunal on 2 December 2022. A paper determination was made on 1 February, without an inspection. The tenant contacted the tribunal as she had not received the Directions and therefore had not submitted any evidence. That decision was set aside and further Directions were issued on 1 February 2023.
5. A face-to-face hearing was held at which the tenants were represented by their solicitor, Mr Imran-Khan and the landlord appeared in person. Prior to the hearing both the landlord and tenant sent their submissions to the tribunal and copied them to each other.

The Hearing

6. On behalf of the tenant, Mr Imran-Khan confirmed that the landlord's notice of increase was not defective. He said that the landlord had not taken into account all the problems with the house. In its present condition it was not the same as a new house. The tenant had offered a 10% increase to £1540 per month, any more would cause them hardship. He asked the Tribunal to defer the increase until after the inspection later in the day, but based on values as at December 2022 i.e. the effective date in the landlord's notice.
7. Mrs Akhter referred to the condition of the property. She had listed the defects in her written submissions: Thames Water had written on several occasions regarding a water leak which she thought was a symptom of the leaking tap in the bathroom: she had told the landlord however he had not taken any action. There was damp in the living room, main bedroom, kitchen and mould in the bathroom. There were lots of cracks in the house, the step outside the rear door was wonky; the single glazed windows were draughty; the ceramic floor tiles in the kitchen were cracked and broken, several door handles were broken. The washing machine was not working, whenever she changed the programme the fuses blew.

8. Previously the Environmental Health Department had required the landlord to carry out repairs. He had painted over some areas of mould which were coming back.
9. She referred to several two bedroom flats on the market at rents from £1650 to £1700 per month. None had gardens but were purpose built.
10. Mr Rahman said that there had been no rent increase since 2014. His mortgage payments had increased and he could no longer afford to leave the rent at its current level. He had sent fifteen pages of asking rents within the borough to the tenant at rents ranging from £2000 to over £2500 per month.
11. Until he had received the tenant's submissions, he had not been aware of the issues regarding damp and disrepair. The house had been rewired in 2019, a new fan had been provided in the bathroom and there had been extensive work to the roof in 2021. The full list of work required by the local authority was included in his written submissions. When the Environmental Health Officer had inspected the repairs towards the end of 2021 the tenant had been advised to keep the property aired and move the furniture away from the walls.
12. The best comparables were houses to rent in E3 as Bow is a very sought after area. He was of the opinion that the current value of a two bedroom house was between £2300 and £2700 per month. The Tribunal was not provided with a copy of the schedule which had apparently been sent to the tenants.

The Inspection

13. The Tribunal inspected the house in the afternoon of 15 May 2023. Arrow Road is a quiet residential street with permit parking. It is approximately a third of a mile to Bromley by Bow station and half a mile to Bow underground station. Bus stops, local shops, restaurants and other local facilities are all within walking distance.
14. The subject property is a two storey end terrace house with token front garden. Externally the walls appeared to be of modern brickwork, the front door, windows and their surrounds were the originals. The roof was of pitched construction behind a parapet wall. The single glazed timber sash windows were in poor decorative condition. Other than a very small area in the kitchen the original back addition was no longer part of the property as it had been developed together with the original rear garden into a two storey house.
15. Internally the accommodation which is centrally heated comprised on the ground floor a living room with bay window and a kitchen. There was evidence of damp to the right of the ground floor bay window and at a high level on the flank wall in the kitchen and of water ingress at a high level in the front bedroom. There was exposed pipework and surface mounted wiring in the kitchen. There were a number of plaster cracks throughout the house.
16. The usefulness of the kitchen was impeded by the presence of the door from the living room and the back door which were centrally placed opposite each other. The ceramic floor tiles on the kitchen floor had

numerous cracks. The threshold was in poor condition and the outside step was not securely fixed. The central heating boiler was fixed to the rear wall of the kitchen, the outlet was to the side of the kitchen window. The back door opened onto a small light well bounded by the walls of the subject property and number 31a plus a six foot high wall to the walkway, it was the only private outside space. Moreover, it provided much poorer ventilation to the kitchen than the traditional rear garden being enclosed by two plus storey walls on three sides.

17. The first floor provided two bedrooms, the front room was a good size double room, the rear room housed a double bed and small wardrobe which filled almost the entire floor area. The bathroom was small, the wash basin was cracked, its taps were dripping and the enamel on the bath was worn. There was black mould evident.

The law

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

Valuation

20. In coming to its decision, The Tribunal took into account the comparable evidence supplied by the parties, together with its own general knowledge of rents in Bow. The comparables were modernised and in good condition and generally larger with better outside space.
21. It concluded that the rent at which the property might reasonably be expected to be let on the open market would be £1600 per month to reflect its current condition and reduced floor area when compared to other Victorian houses in the locality.

The decision

22. The Tribunal determines the open market rental value of the premises is £1600 per month effective from 1 December 2022, being the effective date in the landlord's notice.

Chairman: Evelyn Flint

Dated: 17 May 2023

ANNEX - RIGHTS OF APPEAL

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.

Appendix Housing Act 1988

14 Determination of rent by rent assessment committee.

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

(7) Where a notice under section 13(2) above has been referred to the appropriate tribunal, then, unless the landlord and the tenant otherwise agree, the rent determined by the appropriate tribunal ... 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, with effect from such later date (not being later than the date the rent is determined) as the appropriate tribunal may direct.

