

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CHI/00HB/MNR/2023/0084
Property	:	Flat 3, 79 Ashley Road, Bristol, BS6 5NR
Applicant Tenant	:	Miss J John
Representative	:	None
Respondent Landlord	:	Places for People
Representative	:	None
Type of application	:	Determination of a Market Rent Sections 13 & 14 Housing Act 1988
Tribunal member(s)	:	Mrs J Coupe FRICS Mr M.J.F. Donaldson FRICS Mrs A Clist MRICS
Date of decision	:	13 June 2023

REASONS

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Decision of the Tribunal

On 13 June 2023 the Tribunal determined a Market Rent of £176.54 per week to take effect from 3 April 2023.

Background

- 1. By way of an application received by the Tribunal on 31 March 2023 the Applicant tenant of Flat 3, 79 Ashley Road, Bristol, BS6 5NR ("the property") referred a Notice of Increase in Rent ("the Notice") by the Respondent landlord of the property under Section 13 of the Housing Act 1988 ("the Act") to the Tribunal.
- 2. The Notice, dated 14 February 2023, proposed a new rent of £136.53 per week in lieu of a passing rent of £127.60 per week, to take effect from 3 April 2023.
- 3. The tenant occupies the property under an Assured Shorthold Tenancy agreement with a commencement date of 22 February 2016. A copy of the tenancy agreement was provided.
- 4. On 21 April 2023 the Tribunal issued Directions advising the parties that it considered the matter suitable for determination on papers unless either party objected, in writing, within 7 days. The parties were also advised that no inspection would be undertaken. No objections were received.
- 5. The Directions required the landlord and tenant to submit their completed statements to the Tribunal by 5 May 2023 and 19 May 2023 respectively, with copies to be sent to the other party. No submissions were received from the tenant. The landlord's submissions were received by the Tribunal five days late. In the absence of any documentation from the tenant, with the exception of the application form, the Tribunal, having regard to its objective of dealing with matters fairly and justly accepted the landlord's late submissions. Declining to do so would have left the Tribunal with sparse information upon which to determine the tenant's application.
- 6. Having reviewed the application the Tribunal also concluded that the matter was capable of being determined fairly, justly and efficiently on the papers, consistent with the overriding objective of the Tribunal.
- 7. These reasons address in **summary form** the key issues raised by the parties. They do not recite each and every point referred to in submissions. The Tribunal concentrates on those issues which, in its view, go to the heart of the application.

<u>Law</u>

8. In accordance with the terms of Section 14 of the Act, the Tribunal is required to determine the rent at which it considers the subject property might reasonably be expected to let on the open market, by a willing landlord, under an assured tenancy, on the same terms as the actual

tenancy.

9. In so doing, and in accordance with the Act, the Tribunal ignores any increase in value attributable to tenants' improvements, of which there are none, and any decrease in value due to the tenants' failure to comply with any terms of the tenancy.

The Property

- 10. In accord with current Tribunal policy, the Tribunal did not inspect the property but did view it externally from publicly available online platforms.
- 11. In the application form the tenant refers to the property as a first floor flat, a description which accords with that in the tenancy agreement. By contrast, the landlord refers to the flat as being on the second floor. For the purpose of this valuation the Tribunal proceeds on the basis that the flat is self-contained and located on the first floor of a converted house within an established residential area close to local amenities and public transport links. The landlord refers to the property as being located within a Conservation Area.
- 12. Accommodation comprises an entrance hall, kitchen, reception room, bedroom and bathroom. There is no off-road parking. Access to a communal garden is included.
- 13. The property is heated by a gas central heating system. There is no double glazing. White goods, carpets and curtains are provided by the tenant.
- 14. Having consulted the National Energy Performance Register online, the Tribunal noted the property to have an expired Energy Performance Certificate (EPC) Rating of D and a recorded floor area of 52m².

<u>Submissions – Tenant</u>

- 15. The following is extracted from the tenant's application form and accompanying email:
- 16. The property has not been maintained to a suitable standard. Any rent increase should be delayed until the property has been improved.
- 17. There is an ongoing issue with mould and damp, and outstanding repairs to a toilet as first notified to the landlord in 2019.
- 18. There are no tenant's improvements to disregard in the rent assessment.

<u>Submissions – Landlord</u>

19. The landlord states that the property is currently undergoing refurbishment to the kitchen, bathroom and windows.

- 20. Service charges are included within the rent. No details were provided.
- 21. The landlord refers to the toilet leak and damaged flooring, both of which have been recently completed.
- 22. Investigations into damp and mould issues are ongoing.
- 23. The landlord refers to a requirement for a survey after removal of a *"large amount of hoarding throughout* [sic] *property"*.
- 24. The property is located on a main road through St Pauls, convenient for public transport and close to the city centre.
- 25. No comparable rental evidence was submitted.

Determination

- 26. The Tribunal determines a market rent for a property by reference to rental values generally and, in particular, to the rental values for comparable properties in the immediate locality. The Tribunal has no regard to the current rent and the period of time which that rent has been charged, nor does it take into account the percentage increase which the proposed rent represents to the passing rent. In addition, the legislation makes it clear that the Tribunal is unable to account for the personal circumstances of either the landlord or the tenant.
- 27. The Tribunal assesses the rent for the property as at the date of the landlord's Notice and on the terms of the extant tenancy. The Tribunal disregards any improvements made by the tenant, of which there are none, but has regard to the impact on rental value of disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.
- 28. In the first instance, the Tribunal determined what rent the landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such a market letting.
- 29. Neither party submitted any comparable evidence for consideration. Accordingly, the Tribunal relied upon its own expert knowledge as a specialist Tribunal and, in doing so, the Tribunal determined that a figure of £900.00 per month is reasonable.
- 30. Once the hypothetical rent in good condition was established, it was necessary for the Tribunal to determine whether the property meets the standard of accommodation, repair and amenity of a typical modern letting. In this instance the Tribunal determined that the subject property falls short of the standard required by the market. The landlord concurred that general maintenance/repairs and refurbishment are ongoing and that the property has no double glazing. Furthermore, the landlord does not provide any carpets, curtains or white goods.

- 31. In reflection of such differences the Tribunal make a deduction of 15% from the hypothetical rent to arrive at an adjusted rent of £765.00 per month, equating to £176.54 per week.
- 32. The landlord makes brief reference to the need for a survey following *"hoarding throughout property"*. Insufficient information in this regard was submitted for the Tribunal to either form a view on the point or to determine whether any adjustment to the market rent should be applied.
- 33. The tenant made no submissions to the Tribunal in regard to delaying the effective date of the revised rent on grounds of hardship. Accordingly, the rent of £176.54 per week will take effect from 3 April 2023, that being the date stipulated within the landlord's notice.
- 34. The rental figure determined by the Tribunal exceeds that proposed by the landlord. Such figure is the maximum rent payable however the landlord is under no obligation to charge the full amount.

RIGHTS OF APPEAL

- A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to <u>rpsouthern@justice.gov.uk</u> to the First-tier Tribunal at the Regional office which has been dealing with the case.
- 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.