

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

Case reference	:	CAM/42UD/MNR/2023/0048
Property	:	13 Bramford Place, Bramford Road, Ipswich, Suffolk IP1 5BA
Applicant (tenant)	:	Richard Grimwood
Respondent (landlord)	:	Angela Knapp
Representative	:	William H. Brown
Representative Type of application	:	William H. Brown Determination of a market rent under section 14 of the Housing Act 1988
-	: :	Determination of a market rent under section 14 of the Housing Act
Type of application	: : :	Determination of a market rent under section 14 of the Housing Act 1988 Judge K Saward

# **DECISION AND REASONS**

### **Decision of the Tribunal**

(1) The Tribunal determined a rent of **£715.00** per calendar month to take effect from 13 April 2023.

### REASONS

### **Preliminary Matter**

1. The Respondent has been identified in the papers as Sequence UK Ltd. In the tenancy agreement, the landlord is named as Angela Knapp whose address is that of Sequence (UK) Ltd. When notice was served upon the Applicant of the proposed rent increase under section 13(2) of the Housing Act 1988, the notice was signed by that company for and on behalf of Angela M Knapp. As Angela Knapp is the landlord, the proceedings proceed in her name as Respondent.

### The Property

- 2. The property is a ground floor flat within a two-storey building in the town of Ipswich.
- 3. The accommodation comprises 2 bedrooms (with built-in wardrobes), bathroom, and living room/kitchen with built-in appliances. The property does not have central heating. The form of heating is not specified. The windows are double glazed. Carpets and curtains were provided by the landlord. The property was let unfurnished.
- 4. There is one allocated parking space and use of communal gardens.

# The Tenancy

- 5. The original assured shorthold tenancy agreement was for a fixed term of 12 months starting on 13 June 2020. Upon expiry of the fixed term, the tenant remained in occupation and a statutory periodic tenancy on the terms of the written agreement was created by virtue of section 5 of the 1988 Act. A copy of the tenancy agreement was with the application.
- 6. The rent during the fixed term was £630.00 per calendar month.
- 7. The tenancy provides for a deposit of  $\pounds$ 726.00 to be paid before the start of the tenancy. The Tribunal notes that the tenant says the deposit paid was  $\pounds$ 750.00. One months' rent of  $\pounds$ 630.00 was paid in advance.
- 8. Gas, water and sewerage, electricity, any other fuel charges, telecommunications and Council Taxes are specified as payable by the tenant in addition to the rent.
- 9. The tenancy agreement has the usual basic interior repairing liabilities for the tenant. In summary, not to cause damage, and to keep the interior and the landlord's fixtures and fittings in the same condition, allowing for reasonable wear and tear. The landlord has the repairing obligations which are implied by section 11 of the Landlord and Tenant Act 1985.

# The Referral

10. By a notice dated 9 March 2023 the landlord proposed a new rent of  $\pounds$ 715.00 per month to take effect from 13 April 2023. The notice is in the prescribed form, and it is signed by the landlord's agent. The

existing rent is £650.00 per month. On 30 March 2023, the Applicant tenant referred the notice to the Tribunal.

- 11. Directions were issued by the Tribunal on 24 April 2023 inviting the parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the Tribunal to consider. They were informed that the Tribunal may use internet mapping applications to gather information about the location of the property and may inspect externally.
- 12. A reply form was completed by the landlord's agent.
- 13. The Directions stated that the application would be determined by written representations unless either party requested a hearing. Neither party has requested a hearing and so this case has proceeded by way of written representations. As indicated in the Directions, no inspection took place because all issues could be determined on the papers.

### The Law

- 14. Sections 13 and 14 of the Housing Act 1988 ("the 1988 Act") make provision for the increase of rent under an assured periodic tenancy.
- 15. For the purpose of securing an increase in the rent, the landlord may under section 13(2) 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,being: (i) six months in the case of a yearly tenancy; (ii) one month in the case of a tenancy where the period is less than a month; (iii) in any other case, a period equal to the period of the tenancy.

(b) (except in the case of a statutory periodic tenancy) 52 weeks from the date of which the first period of the tenancy began; and

(c) 52 weeks from the date on which the last increase took effect

Where a notice is served 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.

Nothing in this section (or in section 14) 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).

- 16. Under section 14 (1) of the 1988 Act, the Tribunal is to determine a rent at which the dwelling-house concerned might reasonably be expected to be let in the open market by a willing landlord under an assured periodic tenancy - (a) 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 rent) are the same as those of the subject tenancy.
- 17. In making a determination, the Tribunal shall by virtue of section 14(2) disregard (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 (as defined by section 14(3)) carried out by a tenant otherwise than as an obligation; and (c) any reduction in the value of the dwelling-house due to the failure of the tenant to comply with any terms of the subject tenancy.

### **Representations - Tenant**

18. The only representations from the tenant are those within the application form. It simply states that the landlord has instructed a rent increase from £650 to £715 per month which the tenant cannot afford. The tenant believes there is a charge for the parking space. He is unsure of the amount because he does not use the space as he does not drive.

### **Representations - Landlord**

- 19. The landlord's agent comments that the rent increase is low and keeps the rental figure under similar properties currently let or on the market.
- 20. A short report is provided. It contains a small photograph of the property which is described as having "two generous bedrooms" and "great access to the A12/A14." There is a floorplan along with a street map identifying the approximate location of the property and others featured in the report.
- 21. Brief details of four other properties in Ipswich are given which the landlord considers to be comparable. These were marketed between July 2022 and April 2023. All are 2 bedroomed flats, or a maisonette in one case, with parking. Three were marketed at £850 per calendar month ("pcm"), one for £825 pcm and the other for £770 pcm.

### The Determination

- 22. The application should be approached in two stages: first, does the Tribunal have jurisdiction and secondly, what is the valuation.
- 23. The first stage requires consideration of the status of the applicant and the validity of the application.
- 24. The flat is a dwellinghouse, which has been let on a tenancy as a separate dwelling. The tenant is an individual. There is no suggestion that the tenant occupies the dwelling as anything other than as their only or principal home. Nor is there any suggestion that any of the statutory exceptions apply as set out in Schedule 1 to the 1988 Act.
- 25. The Tribunal is satisfied that the conditions are met within section 1 of the 1988 Act. The application is made in respect of an assured tenancy.
- 26. The question turns to whether the application is valid. Section 13(1)(a) allows a landlord to increase the rent of a statutory periodic tenancy (i.e., at the end of a fixed term).
- 27. The rent was last increased on 13 March 2022 from the initial rent of £630 to £650. By virtue of section 13(2) and (3A), the earliest date a new rent could take effect is 13 March 2023 i.e., 52 weeks after the previous rent took effect. This requirement is fulfilled as the specified date in the notice is 13 April 2023. The requisite minimum period of one month's notice of the new rental period for a monthly periodic tenancy was given, the notice being dated 9 March 2023. The Tribunal is satisfied that the application is valid.
- 28. Turning to the second stage, the Tribunal must assess the rent for the property by reference to the market rent for comparable properties. The tenant has not claimed to have undertaken any improvements to be disregarded in the process. Nor has the tenant provided any evidence of his own to support the contention that the new rent is too high.
- 29. The affordability of the rent is not a relevant factor in determining the amount of the market rent.
- 30. The Tribunal has taken into account the examples provided on behalf of the landlord of asking rents for other 2-bedroom flats in Ipswich, all of which are higher than the new rent sought for this property.
- 31. Having considered these examples and based on the Tribunal's own general knowledge of market rent levels in Ipswich, a flat, comparable to the property, offered on the open market on an assured shorthold tenancy could be expected to let for £715.00 pcm.

- 32. The Tribunal therefore determines the market rent for the property is  $\pounds$ 715.00 pcm.
- 33. The new rent takes effect from the date specified as the starting date in the notice unless the Tribunal considers that would cause undue hardship to the tenant. Even then, the rent start date can be no later than the date the rent is determined. The tenant has not given any evidence or particulars to show that the level of increased rent would cause undue hardship to justify a delay in the start date. The Tribunal decides that the new rent takes effect from 13 April 2023, being the date in the landlord's notice.

Name:Judge K SawardDate:4 July 2023

# **<u>Rights of appeal</u>**

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).