

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CAM/00MD/MNR/2023/0011			
HMCTS code	:	P:PAPERREMOTE			
Property	:	109 Ledgers Road, Slough, SL1 2RQ			
Applicant (Tenant)	:	Somasundaram Meenatchisundaram and Sheeba Minni Andrew			
Respondent (Landlord)	:	Kuljinder Lalli c/o Landlords Defence Ltd			
Type of application	:	Application for permission to appeal			
Tribunal members	:	Peter Roberts FRICS CEnv			
Date of Decision	:	19 June 2023			
DECISION					

Description of hearing

This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper hearing described above as P:PAPERREMOTE. The issues were decided on the papers.

Decision

- 1. The Tribunal has considered the Applicant's request for permission to appeal to the Upper Tribunal Lands Chamber dated 31 May 2023 and determines that:
 - a. It will not review its Decision other than to correct the description of the Property; and
 - b. Permission be refused for appeal to the Upper Tribunal Lands Chamber.
- 2. The Tribunal's Decisions do not fetter the ability of the County Court to consider the validity of the section 13 (2) Notice.
- 3. The Respondent may make a further application for permission to appeal directly to the Upper Tribunal (Lands Chamber). Any such application must be made no later than 14 days after the date on which the First-tier Tribunal sent notice of this refusal to the party applying for permission to appeal.
- 4. Where possible, the Respondent should make any further application for permission to appeal online using the Upper Tribunal's online document filing system, called CE-File. This will enable the Upper Tribunal to deal with it more efficiently and will enable the parties to follow the progress of the application and submit any additional documents quickly and easily.
- 5. Information about how to register to use CE-File can be found by going to the following web address:

https://www.judiciary.uk/wp-content/uploads/2021/07/Practice-Note-on-CE-filing-Lands-Chamber-17.6.21_.pdf

- 6. Alternatively, it is possible to submit an application for permission to appeal by email to: <u>Lands@justice.gov.uk</u>.
- 7. The Upper Tribunal can also be contacted by post or by telephone at: Upper Tribunal (Lands Chamber), 5th Floor, Rolls Building, 7 Rolls Buildings, Fetter Lane, London EC4A 1NL (Tel: 020 7612 9710).

Reasons

8. The relevant provisions in respect of appeals concerning the amount of the rent increase are set out at Section 9 of the Practice Directions of the Upper Tribunal (Lands Chamber) dated 19 October 2020 (the "Practice Directions" which can be found at the following link:

https://www.judiciary.uk/guidance-and-resources/upper-tribunal-landschamber-practice-directions/

- 9. Paragraph 9.3 of the Practice Directions provides that decisions concerning rent increases may only be appealed to the Upper Tribunal Lands Chamber on a point of law.
- 10. Notwithstanding the limitation of the grounds for appeal to the Upper Tribunal to points of law, the Tribunal considers that it would be helpful to address the points raised by the Applicant.
- 11. The Application states that
 - a. The Tribunal wrongly interpreted or wrongly applied the relevant law and
 - b. The Tribunal took account of irrelevant considerations, or failed to take account of relevant considerations or evidence or there was a substantial procedural defect.
- 12. The accompanying explanation is lengthy but, in essence, sets out the following arguments by the Applicant:
 - a. A private tenancy commenced on 1 November 2009 by way of verbal agreement with the Landlord. However, the section 13 (s) Notice stated an effective date for the proposed rent of 27 January 2023. The Applicant therefore considers the section 13 (2) Notice to be invalid.
 - b. The Applicant states that "The reasoning we were given for the private tenancy start being 1/11/2009 despite the AST ending on 26/10/2009 was because we had already paid the rent for the entire calendar month of October 2009, and the landlord did not want to deal with the hassle of reimbursing us for the 5 days of October 2009."
 - c. "If the rental period has always been from the 27th to the 26th, then the Section 47/48 Notice served would reflect this; it does not."
 - *d*. Paragraph 4 of the section 13 (2) Notice states "the first rent increase date after 11 February 2003 is 2nd January 2019".
 - *e*. The Landlord's signature on the reply form does not match the signature the Tenant has on record.
 - *f.* Paragraph 6 of the Tribunal Decision and Register of Rents "...contradicts our rental agreement, specifically the Tenant's obligations detailed in Section 2."
 - g. Paragraph 9 of the Tribunal Decision and Register of Rents "...does not describe the property accurately as there are only two flats (upstairs and downstairs) within a detached house, not an apartment building."

13. The Tribunal addresses each of these matters as follows:

Validity of Section 13 (2) Notice

- 14. The Tribunal understands that the original Assured Shorthold Tenancy dated 5 November 2008 expired on 26 October 2009. Section 5 (3) of the Housing Act 1988 provides that a periodic tenancy takes effect immediately on the coming to an end of the fixed tenancy. It is therefore the case that the commencement date of the assured periodic tenancy was 27 October 2009.
- 15. No evidence has been provided to the Tribunal to demonstrate that the assured periodic tenancy that commenced on 27 October 2009 had ended as at the date of the section 13 (2) Notice. It therefore follows that the provisions of section 13 apply.
- 16. Section 13 (2) states that the "...new rent to take effect at the beginning of a new period of the tenancy specified in the notice, being a period beginning <u>not earlier</u> than..." As such this does not state the date that the new rent should take effect from but sets out that the date of the new rent cannot be earlier than the dates set out in the subsequent provisions.
- 17. In this regard, section 13 (2) (b) (ii) states that that effective date cannot be earlier than "... the date that falls 52 weeks after the date on which the first period of the tenancy began." The earliest date that a rent change can be effective from is therefore 27 October 2009.
- 18. Section 13 (2) (c) and section 13 (3A) (b) then collectively state that "if the rent under the tenancy has previously been increased by virtue of a notice under this subsection or a determination under section 14 below... the date that falls 52 weeks after the date on which the increased rent took effect."
- 19. The new rent cannot therefore be effective from a date that is less than 12 months from the commencement of the tenancy or 12 months after the last rent increase pursuant to section 14. In this case, the Landlord proposed that the rent be increased on 27th January 2023 which is more than 12 months since both the commencement of the periodic lease on 27 October 2009 and the date specified at paragraph 3 of the section 13 (2) Notice.
- 20. Section 13 (5) states that "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)." There is therefore nothing preventing the Landlord and the Tenant agreeing to vary the dates and frequency for the payment of rent, but such agreement does not change the commencement date of the assured periodic tenancy nor over-ride the requirements for the service of section 13(2) Notices.
- 21. The Tribunal therefore did not consider any agreement between the parties (whether implicit or explicit) as to the dates for payment of the rent to be material in determining the validity of the section 13 (2) Notice. Furthermore, the Tribunal has not seen any evidence to suggest that the section 13 (2)

Notice did not fulfil the statutory provisions that relate to assured periodic tenancies.

- 22. In addition, no evidence has been provided to support an argument that a private agreement between the Landlord and Tenant, as allowed for pursuant to section 13 (5) has brought the assured periodic tenancy that arose on the 27 October 2009 to an end and replaced it with some other private contractual agreement providing occupational rights. As such, the Tribunal can only proceed on the basis that the statutory provisions relating to assured periodic tenancies apply.
- 23. In summary, therefore, the assured periodic tenancy which is the subject of the rent increase commenced on 27 October 2009 and sufficient notice was given by the Landlord such that the Tribunal was content to proceed with the determination on the basis that it considered that there were no substantive reasons raised to warrant a delay in proceedings.

Section 47/48 Notice

- 24. The Applicant did not provide a copy of the section 47/48 Notice during the original proceedings. However, other than the notice being dated 7 July 2022 there is no reference to any dates in respect of the commencement of the lease or payment dates.
- 25. This document is of no assistance.

Landlord's Signature

- 26. There were no concerns raised during the Hearing as to the validity, or otherwise, of the Landlord's Reply Form. The Tribunal does not consider the Tenant's concerns to be material in this matter.
- 27. In any event, the section 13 (2) Notice was signed by Desmond Taylor as agent for the Landlord and the documents accompanying the Reply were also clearly prepared by Mr Taylor who appeared at the Hearing on behalf of the Landlord and spoke to these documents.

Tenant's Obligations

- 28. The Tribunal stated at paragraph 47 of the Decision that "As such, whilst the Landlord may consider that the Tenant has not fully complied with their repair covenants, the reality is that, in all probability, such repair would be superseded by the need to refurbish in order to compete in the market."
- 29. The point is that the Landlord raised arguments at the Hearing in respect of the extent to which the Applicant had kept the Property in repair, but the Tribunal took that view that, irrespective of who was responsible for the disrepair, the market would undertake works to the Property that would render many of the required repairs as valueless. This concept is commonly referred to as supersession. The Tribunal did not therefore need to consider the responsibility for these repairs notwithstanding the terms of the lease.

- 30. It is clear from the full text of the Decision, including paragraph 14 thereof, that the Tribunal has had regard to the Lease including, inter alia, paragraphs 2.4, 2.25, 2.35 to 2.42, 2.51, 2.54, 2.55 and 2.60.
- 31. The Tribunal considers the summary set out at paragraph 6 of the Notice of the Tribunal Decision and Register of Rents to be fair and reasonable in the context of brevity and bearing in mind the Applicant's liability to reimburse the Landlord's costs.

Description of the Property

- 32. The Tribunal accepts that 109 Ledgers Road comprises the entirety of the ground floor with 11 Ledgers Road comprising the first floor within a detached property.
- 33. In this context, the Tribunal fully inspected the Property such that this makes no difference to the overall decision in respect of rent and the effective date thereof.
- 34. Notwithstanding this, the Tribunal amends paragraph 7 of the Decision and paragraph 9 of the Notice of the Tribunal Decision and Register of Rents to read:

"The Property comprises a ground floor flat within a converted detached house. The accommodation comprises a living room, kitchen, bathroom and two bedrooms. There is central heating and UPVC double glazing."

Further Comments

- 35. The Tribunal proceeded with the determination on the basis that it saw no material reason to be concerned with the validity of the section 13 (2) Notice and considered the objections by Applicant to be without substance.
- 36. The Tribunal notes that the Applicant has referred to the Court of Appeal Decision in Mooney v Whiteland [2023] EWCA Civ 67 and therefore assumes that they are familiar with the entirety of that Decision.
- 37. Paragraph 48 of that decision states:

"That is not to say that a rent assessment committee may not sometimes need to take a view whether a notice is valid. If it considers that a notice is invalid, it may decline to proceed until the question has been determined by the court. Conversely, if it considers that a notice is valid and that objections are without substance, it may proceed to determine the appropriate rent, but its determination will not prevent a tenant from disputing the validity of the notice."

38. The Tribunal remains of the opinion that the Applicant's objections are without substance. However, the Tribunal's decision to proceed to a determination of the rent payable and effective date does not prevent the County Court from being able to determine the validity of the section (13) (2) Notice if required to do so.

- 39. It is therefore the case that:
 - a. The Tribunal considers that the challenge to the validity of the section 13 (2) notice is without substance. However, this does not fetter the ability of either party to require the County Court to determine this point.
 - b. The Tribunal's Decisions in respect of the calculation of the rent and effective date thereof can only be appealed to The Upper Tribunal Land Chamber on a point of law (see paragraph 9.3 of the Practice Directions.) The Tribunal does not consider that any material points of law have been raised and therefore refuses consent to appeal.
 - c. The Tribunal corrects paragraphs 7 of the Decision and paragraph 9 of the Notice of the Tribunal Decision and Register of Rents in accordance with Rule 50 of The Tribunal Procedure (First tier Tribunal) (Property Chamber) Rules 2013.

Name:Peter Roberts FRICS CEnvDate:19 June 2023

Notice of the Tribunal Decision and Register of Rents under Assured Periodic Tenancies (Section 14 Determination)

Housing Act 1988 Section 14

Address of Premises			The Tribunal members were			
109 Ledgers Road, Slough, SL1 2RQ			Mr P Roberts FRICS CEnv			
Landlord		Kuli Sahota (AKA Kuljiner Lalli)				
Address		106 Stafford Avenue Slough SL2 1AT				
Tenant		Somasundaram Meenatchisundaram and Sheeba Minni Andrew				
1. The rent is: $ {f \pounds} $	850	Per	month		ter rates and council tax any amounts in paras 3)	
2. The date the decision takes effect is:			27 April 2023	27 April 2023		
3. The amount included for services is			not applicable	Per		
4. Date assured tenancy commenced			26 October 20	26 October 2008		
5. Length of the term or rental period			12 months	12 months		
6. Allocation of liability for repairs			Tenant liable f	Tenant liable for internal repairs		

8. Furniture provided by landlord or superior landlord

N/A

9. Description of premises

The Property comprises a ground floor flat within a converted detached house. The accommodation comprises a living room, kitchen, bathroom and two bedrooms. There is central heating and UPVC double glazing.

Chairman

P Roberts

Date of Decision

27 April 2023



FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CAM/00MD/MNR/2023/0011
HMCTS code	:	A:BTMMCOURT
Property	:	109 Ledgers Road, Slough, SL1 2RQ
Applicant (Tenant)	:	Somasundaram Meenatchisundaram and Sheeba Minni Andrew
Respondent (Landlord)	:	Kuljinder Lalli c/o Landlords Defence Ltd
Type of application	:	Determination of a Market Rent: Sections 13 and 14 Housing Act 1988
Tribunal members	:	Mr P Roberts FRICS CEnv
Date of Determination	:	27 April 2023

The form of determination was a telephone hearing described above as **A:BTMMREMOTE** The documents that the Tribunal was referred to are in bundles from the Applicant and the Respondent. The Tribunal has noted the contents and the decision is below.

Decision

The Tribunal determined a market rent of £850 per calendar month effective from 27 April 2023.

Reasons

Background

- 1. On 9 December 2022 the Landlord served notice under section 13 (2) of the Housing Act 1988 to increase the passing rent from £600 per calendar month (pcm) to £1,250 with effect from 27 January 2023.
- 2. This rent is stated to be exclusive of Council Tax, Water Charges and fixed service charges.
- 3. The Tenant made an application dated 25 January 2023 to the Tribunal in reliance on section 13 (4) of the Housing Act 1988.
- 4. The Tribunal issued directions on 26 January 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.
- 5. The Landlord's agent requested an oral hearing on 24 February 2023.

The Property

- 6. The Tribunal inspected the Property on 27 March 2023 accompanied by the Tenant and the Landlord.
- 7. The Property comprises a ground floor flat within a converted detached house. The accommodation comprises a living room, kitchen, bathroom and two bedrooms. There is central heating and UPVC double glazing.
- 8. The Tribunal notes that the EPC banding is D and that the stated assumed floor area is 44 sqm.
- 9. The Council Tax Band is B.

The Tenancy

- 10. The Tenant occupied the Property by virtue of an Assured Shorthold Tenancy dated 5 November 2008 for a period of 12 months from 26 October 2008.
- 11. The rent under this Tenancy was \pounds 700 pcm.
- 12. The Property is defined as:

"The premises include all, or any parts of the dwelling house, gardens, paths, fences, boundaries or other outbuildings which form part of the let. Where the premises form only part of another property (e.e. in a block of flats), the letting includes the use, in common with others, of communal access ways and similar facilities."

- 13. The Tenant's repair obligations are set out within the lease, predominantly in section 2.
- 14. The Landlord's repair obligations are set out at paragraphs 3.3 to 3.5 of the lease which, amongst other matters, refers to section 11 of the Landlord and Tenant Act 1985.
- 15. In the absence of a new Tenancy being entered into, an Assured Periodic Tenancy pursuant to Section 5 (2) of the Housing Act 1988 (the 1988 Act) has arisen such that Sections 13 and 14 of the Act now apply.

The Law

16. Section 5 (3) of the Act provides that the periodic tenancy arising on expiry of the Assured Shorthold Tenancy is one:

"(a) taking effect in possession immediately on the coming to an end of the fixed term tenancy;

(b) deemed to have been granted by the person who was the landlord under the fixed term tenancy immediately before it came to an end to the person who was then the tenant under that tenancy;

(c) under which the premises which are let are the same dwellinghouse as was let under the fixed term tenancy;

(d) under which the periods of the tenancy are the same as those for which rent was last payable under the fixed term tenancy; and

(e) under which, subject to the following provisions of this Part of this Act, the other terms are the same as those of the fixed term tenancy immediately before it came to an end, except that any term which makes provision for determination by the landlord or the tenant shall not have effect while the tenancy remains an assured tenancy"

- 17. Section 14 of the 1988 Act provides that the Tribunal is required to determine the rent at which the Property might reasonably be expected to let in the open market by a willing landlord under an assured 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 existing tenancy."
- 18. Section 14 (2) of the 1988 Act requires the Tribunal to 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) of the Act) otherwise than as an obligation;
 - 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."
- 19. Examples of a tenant's failure to comply with the terms of the lease may include, for example, a lack of redecoration.
- 20. Section 11 of the Landlord and Tenant Act 1985 (the 1985 Act), provides that the Tribunal is to imply a covenant by the Landlord:
 - a. "to keep in repair the structure and exterior of the dwellinghouse (including drains, gutters and external pipes),
 - b. to keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity), and
 - c. to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water."
- 21. Section 14 (7) of the 1988 Act states:

"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 (subject, in a case where subsection (5) 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, with effect from such later date (not being later than the date the rent is determined) as the appropriate tribunal may direct."

Representations – The Tenant

- 22. The Tenant provided the Tribunal with a detailed Application Form running to 8 pages together with a Reply Form which ran to 41 pages in total. Whilst it is not practicable for the Tribunal to list every issue raised within this Decision, the Tribunal has noted all relevant points raised.
- 23. In broad terms, the first issue raised by the Tenant within the Reply Form related to the validity of the Landlord's Notice on the basis that there had been an oral agreement to change the date for payment of the rent from 27th of each month to the 1st of each month.
- 24. The Tenant pointed out that the Landlord's Notice proposed that the new rent be payable from 27 January 2023 whereas, pursuant to the verbal agreement, they advised that the monthly rent is paid on the 1st of each month such that they contended the Notice to be invalid.
- 25. The second issue relates to the amount of rent payable and the Tribunal noted that the Tenant proposed a revised rent of £700 per month.
- 26. The third issue concerns the history of repair work carried out at the Property by the Landlord and compliance issues.
- 27. Finally, the Tenant also set out a history of communications with the Landlord.
- 28. These points were explored in further detail during the Hearing.

Representations – The Landlord

- 29. The Landlord was represented by Mr Taylor.
- 30. Mr Taylor submitted a Respondent's Reply to Applicant's Reply Form and a Bundle extending to 133 pages. As with the Tenant's submissions, the Tribunal has reviewed the entirety of this evidence.
- 31. Whilst he had provided 92 pages of printouts from Rightmove at Appendix 3 of the Respondent's Reply Form and Bundle there was no summary or explanation as to why these comparables were considered to be relevant and their relevance.
- 32. Mr Taylor argued that the obtaining of a Landlord's Licence and the satisfaction of Improvement Notices was evidence that the Property was in repair.
- 33. He also argued that the Landlord is not required to repair items that it has not received notification of.

Determination

- 34. It was apparent from the Parties' submissions and exchanges at the Hearing that there is considerable historic ill-feeling between the Parties.
- 35. The Tribunal enquired as to Mr Taylor's professional credentials and was advised that he is "...someone with knowledge of the law". It would therefore be reasonable for the Tribunal to expect that Mr Taylor should fully understand the standards expected of parties appearing before the Tribunal and behave accordingly.
- 36. However, despite being asked by the Tribunal to refrain from doing so, Mr Taylor persistently raised issues that were entirely irrelevant to the matters before the Tribunal, acted in an intimidatory manner to the Tenant and called the Tenant's character into question.
- 37. The Tribunal allowed Mr Taylor's evidence on this occasion but has only in respect of matters that relate to the assessment of the rent in accordance with the provisions set out at paragraphs 17 to 22 above. All other evidence has been disregarded.
- 38. Whilst both Mr Taylor and the Tenant provided evidence in respect of historic matters the Tribunal considers they would not be known by the prospective hypothetical incoming tenant and would not impact upon the market rent.
- 39. With regard to the validity of the Landlord's Notice, the Tribunal does not consider that an oral arrangement to pay the rent on a date different to that specified in the lease is material on this occasion. As such, the Tribunal is satisfied that the Landlord's Notice is valid.
- 40. In determining the market rent, the Tribunal has had regard to prevailing levels of rent in the general locality and achieved rental values in respect of other properties of comparable accommodation and provision that would be likely to be considered by a prospective tenant. The current rent and the period that has passed since that rent was agreed or determined is not relevant.
- 41. The legislation requires the Tribunal to have regard to market demand assuming that the landlord is willing. The Tribunal is therefore unable to have any regard to the personal circumstances or identities of the actual landlord and tenant in assessing the level of rent.
- 42. The actual occupation of the Property is not relevant as it is considered to be vacant so that it can be occupied immediately, and the Tribunal has regard to the competing bids of hypothetical rather than actual prospective tenants. In addition, it is assumed that the Tenant has complied with their repair/ decoration/maintenance covenants.
- 43. The test as to whether disrepair should be taken into account is whether the market considers there to be any impact on value. The

market will take no account of third party opinions and each prospective occupier will form their own view as to the acceptability of the disrepair and the impact of this on their rental bid.

- 44. The fact that a licensing body may consider the Property to be in repair and suitable for occupation is therefore of limited relevance to the valuation of the Property. It is the attitude and requirements of the market as a whole that is paramount.
- 45. The schedule of letting evidence presented by Mr Taylor clearly illustrated the standard of fit out and decoration expected in the market in order to attract tenants. It was clear from this that, in the absence of significant refurbishment and modernisation the Property would not be attractive relative to these properties even before the fact that it is a ground floor flat and lacks amenities is taken into account.
- 46. As such, whilst the Landlord may consider that the Tenant has not fully complied with their repair covenants, the reality is that, in all probability, such repair would be superseded by the need to refurbish in order to compete in the market.
- 47. It is therefore the Tribunal's opinion that the current market rental value of the Property would be **£850 per month**.
- 48. The Tribunal is persuaded that section 14 (7) of the 1988 Act applies and therefore directs that the revised rent is to be effective from **27 April 2023**.

Name:Peter Roberts FRICS CEnvDate:27 April 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).