

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

Case reference	: CAM/33UG/MNR/2023/0087
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Property	:	29, Woodruff Road, Thetford, IP24 2TX			
Applicant	:	Daiva Virbickiene			
Supported by	:	Owen Willis (Shelter)			
Respondent	:	Dilwar Anwar Khan			
Type of application	:	Section 14 of the Housing Act 1988 Determination of market rent payable.			
Tribunal member(s)	:	Mr A Tomlinson BSc(Hons), DipHI, MRICS			
Date of decision	:	25 September 2023			
DECISION					

# **Description of hearing**

This has been a remote [audio] hearing which has been consented to by the parties. A face-to-face hearing was not held because all issues could be determined in a remote hearing. The documents that I was referred to are in individual bundles produced by the Applicant and the Respondent. I have noted the contents and my decision is below.

# **Decision:**

1. The Tribunal determined a rent of **£1095** per calendar month to take effect from 21 July 2023.

# <u>Reasons</u>

## Background

- 2. The Landlord by a notice in the prescribed form dated 14 June 2023 proposed a new 'rent' of £1095 per calendar month to be effective from 21 July 2023. On 3 July 2023 the tenant referred the Notice to the Tribunal. This was in lieu of the previous rent of £925 per month.
- 3. Parties were requested to complete a pro forma supplying details of the accommodation on a room by room basis, the features of the property (central heating, white goods, double glazing, carpets and curtains) and other property attributes and any further comments that they may wish the tribunal to take into consideration. This could include any repairs and improvements that had been made, any comments on the condition of the property and rentals of similar properties should they wish to rely on these.
- 4. They were invited to include photographs and were informed that the Tribunal may use internet mapping applications to gather information about the location of the property and may inspect externally.
- 5. The determination would take place based on the submissions from both parties unless either party requested a hearing. Further evidence together with photographs was submitted by both the landlord and the tenant. The tenant requested a hearing.

# The Property

- 6. The property consists of 2 bedrooms in a traditionally built House in Multiple Occupation (HMO), located in a residential area.
- 7. The application is in respect of one single room and one double room occupied by the applicant and her family.
- 8. The rent is inclusive of gas, water, electricity, heating, council tax and communal television licence.

### The Tenancy

9. The Tenancy commenced as a contractual Assured Shorthold Tenancy for a fixed term of 3 months from 21 November 2022. A copy of the agreement dated 21 November 2022 was provided. From 21 February 2023 a statutory tenancy on the terms of the written agreement appears to have arisen. Section 11 of the Landlord and Tenant Act 1985 applies in respect of Landlord's repairing obligations

### The Law

- 10. By virtue of section 14 (1) Housing Act 1988 the Tribunal is to determine a rent at which the dwelling 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
- 11. By virtue of section 14 (2) Housing Act 1988 in making a determination the Tribunal shall 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 attributable to a relevant improvement (as defined by section 14(3) Housing Act 1988) carried out by a tenant otherwise than as an obligation; and
  - (c) any reduction in the value of the dwelling due to the failure of the tenant to comply with any terms of the subject tenancy.

### **Representations – Tenant**

- 12. The tenant disputed that the proposed rent increase of  $\pounds$ 925 to  $\pounds$ 1095 was in line with market forces.
- 13. In support of this, the tenant referred to the mean average asking rent for similar double bed for one person rooms "in Thetford" was £506.06 per calendar month, with a maximum asking rent of £715 per calendar month.
- 14. The tenant also stated that Room 1 at the subject property was currently let at  $\pounds$ 695, but had an ensuite bathroom, rather than a shared one used by the subject rooms and that Room 5 is currently let at  $\pounds$ 650 per calendar month with use of a private toilet and that all these rooms are of a similar size.
- 15. The tenant referred to research undertaken by the BBC based upon Zoopla data which indicated an average rental increase in the Breckland Local Authority area of 0.5% overall for 2023.
- 16. The tenant queried the size of room 4 and whether it was suitable as a single bedroom under licensing requirements.

17. In their response to directions the tenant had also raised concerns about a number of items of alleged disrepair and cleanliness and had provided photographs of these.

### **Representation – Landlord**

- 18. The landlord noted that the subject property had been licensed for occupation by 7 people and that the rent included: Gas, water, electricity, broadband, Council Tax and Television licence.
- 19. The landlord said that rents were increased annually based upon comparable market prices and that whilst costs of utilities and mortgage finance had increased considerably rentals need to remain competitive to maintain occupancy rates.
- 20. In terms of the rental increase proposed on Room 4 from £300 to £400 the landlord said that the rent for this room had been agreed at £400 prior to the commencement of the lease, but a rent of £300 was agreed until 21 February to assist the tenant.
- 21. The landlord stated that there was a high level of demand for these types of rooms in Thetford and that rent proposed was in line with those being charged at similar properties.
- 22. The landlord did not accept that the ground floor toilet was for the sole use of room 5 and stated that room 5's rent of  $\pounds 650$  reflected its location behind the kitchen in a noisier location.
- 23. The landlord did not agree that average rents were a good guide to the correct rent for an individual property due the differing nature of the rooms currently available to rent in terms of their location, quality, or in some instances, a resident landlord.
- 24. The landlord did not accept that the BBC research referred to by the tenant was relevant as it covered single let properties (that would not include utility bills) and the whole of Breckland Local Authority area including rural areas.
- 25. In the response to Directions the landlord said that he had not previously been notified of the items of disrepair that would form part of his responsibility.

## Determination

26. The tribunal determines a market rent for a property by reference to rental values generally and to the rental values for comparable properties in the locality in particular. It does not take into account the

present 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 existing rent. In addition, the legislation makes it clear that the tribunal cannot take into account the personal circumstances of either the landlord or the tenant.

- 27. The tribunal assesses a rent for the Property as it is on the day of the hearing disregarding any improvements made by the tenant but taking into account the impact on rental value of any disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.
- 28. The tribunal considered the photographs provided by the tenant in support of their assertions about the condition of the property and also the landlord's responses to these including the offer to undertake repairs to any items notified to items supplied by the landlord.
- 29. The tribunal has been provided with limited evidence, of mainly asking rents, but lacking objective details as to the comparative quality, size, desirability of location of these when compared to the subject which is a relatively modern property of approximately 20 years age in a residential estate.
- 30. In terms of the current rental levels within the subject property, Room 1, is on the second floor, and has an ensuite bathroom. This room is currently let at £695 per calendar month and Room 5, behind the kitchen on the ground floor, is currently let at £650. Due to the differing lease start dates these figures are likely to rise during the 12 months from 21 July 2023 whilst the rental on the subject rooms is fixed due to the inevitable leapfrogging that occurs in such circumstances.
- 31. The tribunal is not persuaded by references to mean average rents as the subject property might be significantly more, or less, desirable than the other properties in the sample. This also applies to generic levels of rental movement across a broad geographical area where individual properties will see increase, or decreases, in excess of the average figure quoted, reflecting the actual demand for that type of accommodation in its specific location. This will especially be the case during the current economic situation, depending upon the inclusion, or otherwise, of all bills within the rent.
- 32. Given that the limitations of the evidence in respect of the rental values provided by the parties, the tribunal has had to rely upon its own knowledge and experience in arriving at its determination.
- 33. The tribunal using its experience and expertise, and having regard to the limited evidence provided, believes that the rental value of this property in normal condition for such lets would be around £1095.

- 34. The tribunal then needs to consider whether this needs adjusting to reflect any improvements made by the tenant and any impact on rental value of any disrepair which is not due to failure of the tenant to comply with the terms of the tenancy. No evidence was submitted to suggest that the Landlord had been notified, prior to the response to Directions, of the tenant's submission that some repairs were necessary under the terms of the tenancy nor does the tribunal believe that such repairs would have a significant impact on the rental level.
- 35. On this basis the tribunal believes that the rental value for the property would be in the region of **£1095 per month** and makes its determination on this basis.

#### Alan Tomlinson BSc(Hons) DipHI MRICS Valuer Chair

## **<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 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 to the person making the application (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013).

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).

# 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		The	e Tribunal members were				
29 Woodruff Road, Thetford, Norfolk IP24 2TX			Mr 4	A Tomlinson BSc(Hons) DipHI MRICS			
Landlord	Dilwal Anwar Khan						
Address	Charles Burrell Centre, Staniforth Road, Thetford, IP24 3LH						
Tenant	Daiva Virbickiene						
<b>1. The rent is: £</b> 1095	Per month			(including bills as set out in the tenancy agreement)			
2. The date the decision takes effect is:				21 July 2023			
*3. The amount included for services is not applicable		ble	See 1 above Per				
*4. Service charges are variable and are not included							
5. Date assured tenancy commenced				21 November 2022			
6. Length of the term or rental period				Month			
7. Allocation of liability for repairs				See full decision			
8. Furniture provided by landlord or superior landlord							
See full decision							

#### 9. Description of premises

See full decision

Chairman	Alan Tomlinson	Date of Decision	25 September, 2023
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