

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	JM/LON/OOAJ/MNR/2023/0301
Property	:	First Floor Flat , 18 A , Seward Road, W7 2JR
Applicant	:	Lukasz Jodkowski
Representative	:	In Person
Respondent	:	Loretta Brennan
Representative	:	In Person
Type of application	:	Market Rent under s13 & 14 of the Housing Act 1988
Tribunal member(s)	:	Mr R Waterhouse MA LLM FRICS Mr A Ring
Date and venue of hearing	:	6 th October 2023 Video Hearing with subsequent inspection
Date of Decision	:	6 th October 2023

DECISION

Decision of the tribunal

The tribunal determines the rent at £1950.00 per month. The rent to have effect from the date in the landlords notice of 4^{th} June 2023, that is an effective date of 7^{th} July 2023.

Background

- 1. The tribunal received an application under section 13 of the Housing Act 1988. dated 30th June 2023. This included the landlord's notice dated 4th June 2023 proposing a new rent to commence on 7th July 2023. The previous rent being £1500.00 per month and the proposed £2,000.00 per month from 7th July 2023. Additionally, included was a copy of the tenancy agreement dated 6th October 2017, commencing on 7th October 2017 which ran contractually for one year.
- 2. The landlord requested an inspection and a hearing for the case. The tenant requested neither.
- 3. The property is a flat comprising one living room, two bedrooms one of which is en suite, a further bathroom, and a kitchen.
- 4. The tenancy commenced on the 7th October 2017 for 12 months the last contractual day being 6th October 2018. The statutory periodic tenancy then commenced on the 7th October 2018.

Applicant submissions.

5. The tenant did not submit a reply form to the tribunal but by his application form he noted the size of the accommodation, and under

Improvements - "connecting new washer machine and dishwasher when landlady arrange replacements, unfortunately without installation. Floor repair in the one of the bedrooms, annual gas safety inspection, all above at the owner's request. Bath tap repair, boiler repair was done myself as I have not received answer for my e mail."

Furniture - "flat is part furnished-2 beds, 1 sofa, cupboard in one of the bedrooms"

Respondents Submission

6.A completed Reply Form detailing the rooms and their size.

Living Room 1 "feature fireplace with built in shelving and cupboard. Made to measure slatted wooden blinds. Dimmable lighting. Freshly painted in neutral colours at start of the tenancy (tenant latterly painted in darker shade, not up

to professional standard, and added wallpaper, without permission) Furnished with two sofas and table with 4 chairs.

7.Kitchen "Bright and airy eat –in shaker style kitchen. Integrated fridge, freezer, dishwasher & washing machine. Freshly painted at start of tenancy tenant latterly painted, not up to professional standard, without permission. Furnished with two bar stools for breakfast bar."

8.Bedroom 1 2nd floor master bedroom with en suite. Built in wardrobes across one wall, and floor to ceiling shelving on another wall. Dimmable ceiling light. Decorated in neutral colours. Tenant latterly repainted (not to professional standard) and papered one wall without permission, in garish colours and a chalkboard wall.

9. Furnished with double bed, wardrobe, chest of drawers and bedside cabinet."

Bathroom "Bath with over-bath shower unit and mirror vanity unit"

En-suite bathroom (off bedroom one) "Shower enclosure, built-in under-sink vanity unit, toilet. Ladder hearted towel rail."

10. There was an appendix supplied with the Reply Form that covered links to comparable property ranging from £1699 per month to £2200.00 per month.

Additionally, there were a set of photographs of the interior of the property.

The Inspection

11. The tribunal inspected the property in the afternoon of the hearing. The road is a relatively quiet residential street, pleasant in nature. The building in which the subject property resides has at some stage had its roof replaced, there is evidence of external pointing with cement mortar between the soft fired red bricks.

12. There is a single front door to the building which serves both the ground floor flat and the first floor, the subject of the determination. The internal front doors are relatively light weight in nature.

Through the internal front door there is immediately a set of stairs which is carpeted. The carpet is not new but in reasonable condition. The stairs lead to a landing with the main living room facing the road. There is some evidence of historic damp on the external wall. There is also some evidence of moth activity in the carpet.

The second bedroom, double in size is located on the first floor, it has a window that faces the rear garden, the room has a blackboard pained section. There is evidence of extensive moth activity in the carpet. The separate bathroom contains an enamelled bath and hand basin. The kitchen, which is fitted is located at the rear of the property on the first floor, contains a boiler understood to be around 20 years old.

Stairs lead from the first-floor landing to the converted attic which contains a good-sized master bedroom with ensuite. Along one wall of the bedroom is fitted wardrobes. The tenant has repaired a section in the flooring of the master bedroom.

All rooms have central heating. There is no garden.

The Hearing

There was considerable submission from both parties on how the parties had reached this position. The tribunal is concerned with determination of the rent under section 13 and 14 of the Housing Act 1988.

7. The tenant Mr Jodkowski noted the accommodation, and submitted that from his personal researches he felt the rent of $\pounds 2000.00$ requested under the section 13 notice to be too high. Whilst he had provided no specific rental evidence in support, he believed that an accurate figure for the rent resided between $\pounds 1750$ and $\pounds 1850$ per month.

The landlord Ms Brennan supplied a number of comparables with her evidence, and cited that estate agents had indicated the property could achieve between £2000.00 and £2200.00 per month.

<u>The Law</u>

Valuation

13. Section 14 of the Housing Act 1988 requires the tribunal to determine the rent at which it considered the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.

The Decision

16. The tribunal is grateful for the submissions of both parties. In coming to its determination under section 14, the tribunal relied on the evidence supplied by the parties, the examination of the evidence and its own general knowledge of rental levels in the area.

If the property were to be in a condition reflecting the upper levels of properties in the area a rent of \pounds 2200.00 could reasonably be considered attainable.

The property has been rented out since October 2017 and could benefit from some cosmetic work.

17. Given the size and nature of the accommodation, and the evidence of similar rental properties supplied by the tenant and the landlord, the tribunal using its knowledge of the area, determines the rent at £1950.00 per month effective from the date of Notice of Increase.

Name: Chairman Waterhouse

Date: 6th October 2023

Rights of appeal

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 Firsttier 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).

THE LEGISLATION

Housing Act 1988

s.13.— Increases of rent under assured periodic tenancies.

(1) This section applies to-

(a) a statutory periodic tenancy other than one which, by virtue of <u>paragraph</u> <u>11</u> or <u>paragraph 12 in Part I of Schedule 1</u> to this Act, cannot for the time being be an assured tenancy; and

(b) any other periodic tenancy which is an assured tenancy, other than one in relation to which there is a provision, for the time being binding on the tenant, under which the rent for a particular period of the tenancy will or may be greater than the rent for an earlier period.

(2) For the purpose of securing an increase in the rent under a tenancy to which this section applies, the landlord may 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; and

(b) except in the case of a statutory periodic [tenancy—]

[

(i) in the case of an assured agricultural occupancy, the first anniversary of the date on which the first period of the tenancy began;

(ii) in any other case, on the date that falls 52 weeks after the date on which the first period of the tenancy began; and

(c) if the rent under the tenancy has previously been increased by virtue of a notice under this subsection or a determination under <u>section 14[below</u>]

(i) in the case of an assured agricultural occupancy, the first anniversary of the date on which the increased rent took effect;

(ii) in any other case, the appropriate date.

]

(3) The minimum period referred to in subsection (2) above is—

(a) in the case of a yearly tenancy, six months;

(b) in the case of a tenancy where the period is less than a month, one month; and

(c) in any other case, a period equal to the period of the tenancy.

(3A) The appropriate date referred to in subsection (2)(c)(ii) above is—

(a) in a case to which subsection (3B) below applies, the date that falls 53 weeks after the date on which the increased rent took effect;

(b) in any other case, the date that falls 52 weeks after the date on which the increased rent took effect.

(3B) This subsection applies where-

(a) the rent under the tenancy has been increased by virtue of a notice under this section or a determination under <u>section 14</u> below on at least one occasion after the coming into force of the <u>Regulatory Reform (Assured Periodic</u> <u>Tenancies) (Rent Increases) Order 2003</u>; and

(b) the fifty-third week after the date on which the last such increase took effect begins more than six days before the anniversary of the date on which the first such increase took effect.

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(4) Where a notice is served under subsection (2) above, 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.

(5) 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).

s.14.— Determination of rent by [tribunal].

(1) Where, under <u>subsection (4)(a) of section 13</u> above, a tenant refers to [the appropriate tribunal] a notice under <u>subsection (2)</u> of that section, the [appropriate tribunal]³ shall determine the rent at which, subject to subsections (2) and (<u>4</u>) below, the [appropriate tribunal]³ 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 <u>Grounds 1 to 5 of Schedule 2</u> 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 <u>subsection (1)</u> 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.

[

(3A) In making a determination under this section in any case where under <u>Part I</u> of the <u>Local Government Finance Act 1992</u> the landlord or a superior landlord is

liable to pay council tax in respect of a hereditament ("the relevant hereditament") of which the dwelling-house forms part, the [appropriate tribunal] shall have regard to the amount of council tax which, as at the date on which the notice under <u>section 13(2)</u> above was served, was set by the billing authority—

(a) for the financial year in which that notice was served, and

(b) for the category of dwellings within which the relevant hereditament fell on that date,

but any discount or other reduction affecting the amount of council tax payable shall be disregarded.

(3B) In subsection (3A) above—

(a) *"hereditament"* means a dwelling within the meaning of <u>Part I</u> of the <u>Local Government Finance Act 1992</u>,

(b) *"billing authority"* has the same meaning as in that Part of that Act, and
(c) *"category of dwellings"* has the same meaning as in <u>section 30(1) and (2)</u> of that Act.

(4) In this section "*rent*" does not include any service charge, within the meaning of <u>section 18</u> of the <u>Landlord and Tenant Act 1985</u>, but, subject to that, includes any sums payable by the tenant to the landlord on account of the use of furniture [, in respect of council tax] 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.

(5) Where any rates in respect of the dwelling-house concerned are borne by the landlord or a superior landlord, the [appropriate tribunal] shall make their determination under this section as if the rates were not so borne.

(6) In any case where—

(a) [the appropriate tribunal] have before them at the same time the reference of a notice under <u>section 6(2)</u> above relating to a tenancy (in this subsection referred to as "the section 6 reference") and the reference of a notice under <u>section 13(2)</u> above relating to the same tenancy (in this subsection referred to as "the section 13 reference"), and

(b) the date specified in the notice under section 6(2) above is not later than the first day of the new period specified in the notice under section 13(2) above, and

(c) the [appropriate tribunal]⁹ propose to hear the two references together,

the [appropriate tribunal] shall make a determination in relation to the section 6 reference before making their determination in relation to the section 13 reference and, accordingly, in such a case the reference in subsection (1)(c) above to the terms of the tenancy to which the notice relates

shall be construed as a reference to those terms as varied by virtue of the determination made in relation to the section 6 reference.

(7) Where a notice under <u>section 13(2)</u> 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 <u>subsection (5)</u> 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, 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 committee may direct.

(8) Nothing in this section requires [the appropriate tribunal] to continue with their determination of a rent for a dwelling-house if the landlord and tenant give notice in writing that they no longer require such a determination or if the tenancy has come to an end.

(9) This section shall apply in relation to an assured shorthold tenancy as if in subsection (1) the reference to an assured tenancy were a reference to an assured shorthold tenancy.