

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : BIR/ooCN/MNR/2023/0066

Property : 28 Goodby Road Moseley Birmingham B13

8NJ

Landlord : Northumberland Durham Property Trust

Tenant : Karen Evans

Type of Application : An Application for a Determination under

Section 14 of the Housing Act 1988

Tribunal Members : Nicholas Wint BSc Hons FRICS

Javed Arain

Date of Decision : 17 October 2023

STATEMENT OF REASONS

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BACKGROUND

- 1. By way of a notice dated 15 March 2023, Northumberland and Durham Property Trust Limited ("the Landlord"), sought to increase the rental in respect of 28 Goodby Road Moseley Birmingham B13 8NJ ("the Property") to £1,250 per month under section 13 of the Housing Act 1988 ("the Act") with effect from 29 May 2023.
- 2. The tenancy commenced on 25 December 2016 and the rent payable at the time of the notice was £1,125 per month.
- 3. By an application dated 10 April 2023, Karen Evans ("the Tenant") referred the Notice of increase of rent served by the Landlord to Tribunal.
- 4. The initial application to the Tribunal included a copy of the Rent Increase Notice and confirmed that the tenant carried out various improvements to the kitchen, bathroom and downstairs WC. It is understood that the tenant does not have a tenancy agreement as she succeeded the tenancy from her father who had lived at the property for 40 years prior.
- 5. The Tribunal issued its Directions dated 5 June 2023 and listed the case on 25 August 2023 carrying out an inspection on the same day. Neither party requested a hearing.
- 6. The Tenant and Landlord both completed a Reply Form. Written submissions were also submitted on behalf of the Landlord by Mahesh Parmar Portfolio Manager.
- 7. After consideration of the available evidence and the applicable law, the Tribunal determined a rental of £1,250 per month with effect from 29 May 2023.
- 8. Upon receipt of an email dated 18 September 2023 the Tenant requested the Tribunal provide reasons. These written reasons should therefore be read in conjunction with the Decision of the Tribunal dated 25 August 2023.

THE PROPERTY

- 9. The Property is in Moseley approximately 3 miles south of Birmingham city centre in an attractive residential area surrounded by large, detached houses.
- 10. The accommodation briefly comprises a large 2-storey detached house including entrance hall, through living room, dining room, kitchen, utility, pantry, downstairs WC and on the first floor a landing, four double bedrooms and a large family bathroom. Outside there is a large rear garden, driveway and single integral garage.

- 11. The Tenant has installed the central heating and some radiators and fitted all the carpets and curtains, light fittings and gas fire. In addition, the Tenant has installed a new bathroom, refitted the kitchen with all white goods, replaced the downstairs WC and converted the utility area. The Tenant has also redecorated the back bedroom, decorated the hallway and laid out the garden and patio area.
- 12. The Landlord has installed the double-glazed windows, fitted a new boiler, replaced the roof tiles and rewired most of the house.
- 13. The Tribunal noted some areas of disrepair including a crack in the wall in the rear middle bedroom and some wiring that had been left exposed. Outside some of the rainwater pipes and guttering need redecorating. Other than the outstanding matters referred to the Tribunal found the property to be in reasonable condition and decorative order given its age and location.

EVIDENCE

- 14. The Tribunal received a written submission from the Landlord and from the Tenant a completed Reply Form.
- 15. The Landlord's submission refers to three properties that range in value between £2,800 and £1,850 per month. Based on these the Landlord considers the market rental value of the Property to be £1,820 per month but then adjusts this to reflect the various tenant's improvements and therefore arrives at a net rent of £1,250 per month.
- 16. No specific comparable evidence was received from the Tenant.
- 17. Neither the Landlord or Tenant made any further representations.

THE LAW

- 18. Section 14 of The Housing Act 1988 states:
 - '(1) Where, under subsection (4)(a) of section 13 above, a tenant refers to a rent assessment committee a notice under subsection (2) of that section, the committee shall determine the rent at which, subject to subsections (2) and (4) below, the committee 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;...'
- '(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 the immediate landlord ...
- 19. The jurisdiction of the Rent Assessment Committee was transferred to the Firsttier Tribunal (Property Chamber) from 1st July 2013.
- 20. In accordance with the terms of section 14 of the Housing Act 1988 the Tribunal must determine the rent at which it considers that the subject property might reasonably be expected to let on the open market by a willing landlord under an assured tenancy.
- 21. In so doing the Tribunal, as required by section 14(1), must ignore the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of the Act.

VALUATION

- 22. In reaching its determination, the Tribunal has had regard to the evidence and submissions of the parties, the relevant law and their own knowledge and experience as an expert Tribunal but not any special or secret knowledge.
- 23. In the first instance, the Tribunal determined what rent the landlord could reasonably be expected to obtain for the Property if it were let today in the condition that is considered usual for such an open market letting. This it determined is £1,800 per month.
- 24. The Tribunal used its own general knowledge of market rental levels in the immediate area and from its own research into rental values for similar types of property from the surrounding areas. The Tribunal has, therefore had regard to the location, accommodation, and condition of the Property.
- 25. The Tribunal then had regard to the various Tenants' improvements that have been carried out as referred to above and made a total deduction of £550 per month including the areas of disrepair.

- 26. Taking all these factors into consideration, the Tribunal was therefore satisfied and concluded that the market rent is £1,250 per month after making the required adjustments under the Act.
- 27. The rent determined by the Tribunal for the purposes of Section 14 is, therefore, £1,250 per month.

RIGHT OF APPEAL

28. If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) **on a point of law only**. 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 (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013) stating the grounds upon which it is intended to rely in the appeal.

Nicholas Wint BSc (Hons) FRICS