

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

Case reference : JM/LON/OOAU/MNR/2023/0302

Property : Flat 2, 23 Tabley Road, N7 oNA

Applicant : Catherine Marshall

**Representative** : In Person

Respondent : Opticrealm Ltd

Representative : Olivia Popescu

Type of application : Market Rent under \$13 & 14 of the

**Housing Act 1988** 

Tribunal Mr R Waterhouse MA LLM FRICS

member(s) : Mr O Miller

Date and venue of 12th October 2023 Video Hearing

hearing : without inspecion

Date of Decision : 12th October 2023

# **DECISION**

### **Decision of the tribunal**

The tribunal determines the rent at £1775.00 per month. The rent to have effect from the date of the tribunal 12<sup>th</sup> October 2023.

### **Background**

- 1. The tribunal received an application under section 13 of the Housing Act 1988. dated 1<sup>st</sup> July 2023. This included the landlord's notice dated 22<sup>nd</sup> June 2023 proposing a new rent to commence on 4<sup>th</sup> August 2023. The previous rent being £1400.00 per month and the proposed £1775.00 per month from 4<sup>th</sup> August 2023. Additionally, a copy of the tenancy agreement dated 19<sup>th</sup> May 2021 which showed the tenancy running from 4<sup>th</sup> July 2021 for 12 months with the last day of the contractual term 3<sup>rd</sup> July 2022.
- 2. The landlord and the tenant requested an inspection and hearing. The tenant later withdrew the request to inspect, so the property was not inspected. The tribunal hearing was remote both parties, the Tenant Ms Marshall and the Landlord Ms Popescu represented themselves and the tribunal is grateful for their clear articulation of their respective positions.
- 3. The property is a first floor flat, with an open plan living room/kitchen, one bedroom and one bathroom. The flat was let furnished with; a bed, one sofa, one coffee table, a chest of drawers and a wardrobe.
- 4. The tenancy commenced on the 4<sup>th</sup> July 2021 and ran for 12 months concluding on 3<sup>rd</sup> July 2022. The last contractual period day was 3<sup>rd</sup> July 2022, so the statutory periodic tenancy then commenced on the 4<sup>th</sup> July 2022.

### Applicant submissions.

5.

A letter undated noting details of the flat, the relationship with landlord and comparables of other flats in the vicinity.

6. The letter notes that the subject property is "very small".

7.the letter indicating the relationship between the applicant and the respondent has broken down. Concerns included delay in receiving a mattress on the first day, the mould within the washing machine issues with the dishwasher and allegations over the behaviour of contractors attending to the dishwasher.

In terms of rental levels the applicant submits that £1400 per month is the maximum the level should be.

8. Six comparables are supplied within the letter, which were in the form of links from the rental site "Rightmove";

Comparable one – the link did not function

Comparable two – Tansley Close, which is off Camden Road, the property was available at £1490 per month, one bedroom, a living room and one bathroom.

Comparable three – Hilldrop Close Kentish Town N7 rent £1400, 47 m2 within a purpose-built block, one bedroom flat.

Comparable four – York Way – no dimensions, one bedroom flat rent £1365 per month

Comparable five - Hilldrop Close Kentish Town N7 rent £1625.00 per month, furnished  $47.8~\text{m}_2$ 

Comparable six – Tiltman Place , one bedroom flat, no dimensions £1712 per month.

The letter contained six photographs of the interior of the flat.

9.Additionally, there was a completed Reply Form undated. The Form notes, that an inspection and a hearing is required. Under accommodation it is noted that the property comprises;

Living room – wooden floors, blinds, sofa, coffee table and 16.6m2 including kitchen

Kitchen includes washing machine and dishwasher

Bedroom 1- wooden floors, blinds, bed, built in wardrobe, chest of drawers 11.7 sq m

Bathroom – bathtub, electric towel rail

The property has double glazing, central heating, carpets, curtains and white goods all supplied by the landlord.

10.Email of 11<sup>th</sup> at 18:36 responding to LL e mail of 11<sup>th</sup> October 16:00pm noting that the comparables did not have dimensions and so their effectiveness as comparables was questionable.

Additionally the applicant furnished the tribunal with an e mail on 9<sup>th</sup> October 2023 at 17:13

With covering letter it provided five comparable properties as evidence for the rental level of the subject flat.

Whitby Court, Parkhurst Road, 1 bedroom flat, £1625.00

Tollington Way Archway, 1 bedroom flat, £1600.00

Moriatry Close Holloway, 1 bedroom flat, £1650.00

Brecknock Road, 1 bedroom flat, £ 1846.00

Bunning Way Islington £1800.00

The applicant submission, provided narrative of these properties focusing on how their space compared with the subject property.

### **Respondents Submission**

11The respondent's supplied three pieces of information

A letter from "Living Space Estate Agents" dated 17<sup>th</sup> July 2023 stating, "We feel confident we could achieve a rental of £1841.67 pcm for this stunning house."

A document entitled "Inventory check out at Flat 2 23 Tabley Road London N7 oNA".

A completed Reply Form noting that the landlord required an inspection and a hearing.

12. The landlord has replaced the dishwasher twice since the tenant moved in in July 2021.

The respondent LL by email dated 11<sup>th</sup> October 2023 4:00pm copied to the applicant tenant, a list of comparable properties that were available between May and October this year.

13. They were;

One bedroom, Camden Road, Holoway N7  $2^{nd}$  floor, no dimensions and "no longer available" £2059pm

One bedroom flat Camden Road N7 , No further details, £2000 pm "no longer available".

One bedroom flat Bardolph Road, Tufnell Park, N7 Ground floor garden flat, part furnished £1950 per month "let agreed"

One bedroom Tufnell Road N7, first floor wooden floors, high ceilings, shared terrace, £1950 per month "currently advertised"

One bedroom Crayford Road N7 "Let Agreed" Private Garden gas central heating, double glazing £1950per month.

#### The Inspection

14. The tribunal was initially requested to inspect the property by both parties but before the hearing the tenant withdrew their request and permission to inspect.

#### The Hearing

15.The tribunal heard from the applicant, who described the subject flat, and took the tribunal through their evidence of comparables. The applicant sought to distinguish their flat in terms of size and specification from their comparables and those put forward by the respondent landlord. Additionally, the applicant stressed the financial hardship that would accrue if an increase was determined by the tribunal that was back dated. The applicant sought anty increase to be effective from the date of the decision.

16.The tribunal also heard from the respondent landlord. Their submission provided a number of comparables. Additionally in cross examination of the applicant the respondent sought to show that the applicants comparables were in less desirable areas and so presented a lower rent accordingly.

17.Additionally, the respondent addressed, issue of hardship raised by the applicant and helpfully supported the request by the applicant for a later effective date of rent should the tribunal determine an increase.

#### The Determination

18.The tribunal regrettably notes that relationship between the parties was strained, the tribunal can only concern itself with the limited remit of determination under section 14 of the Act.

19. The rental value of a property is a function of many items, but notably, geographic location, nature of building, specification, size and nature of the flat.

20. The tribunal is grateful for the comparables provided by the parties; the tribunal was required to use its expertise in the rental market.

21. The tribunal carefully balanced the location and specification of all the properties and considering its own expertise. The rent of a property reflects the balance between the location of a property and its size and specification.

### The Law

#### Valuation

22. 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

23. Given the size and nature of the accommodation, and, using its own knowledge of the area, the tribunal determines the rent at £1775.00 per month. The tribunal taking into account the submissions in respect of the effective date determines the effective date of the rent is 12<sup>th</sup> October 2023.

Name: Chairman Waterhouse Date: 12<sup>th</sup> 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 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).

#### 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 <a href="mailto:section14">section 14</a>[below—]
- (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> Tenancies) (Rent Increases) Order 2003; 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.

- (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]<sup>3</sup> shall determine the rent at which, subject to subsections (2) and (4) below, the [appropriate tribunal]<sup>3</sup> 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 section 30(1) and (2) of that Act.
- (4) In this section "rent" does not include any service charge, within the meaning of section 18 of the Landlord and Tenant Act 1985, 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 section 6(2) above relating to a tenancy (in this subsection referred to as "the section 6 reference") and the reference of a notice under section 13(2) 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 <u>section 6(2)</u> 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] 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 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, 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.