

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

| Case reference | : | LON/00AF/MNR/2023/0120 |
|---------------------|---|--|
| Property | : | 1 Leaveland Close Beckenham BR3 3PL |
| Applicant/tenant | : | Mr Alvert Tzarachou & Ms Olga Ntreou |
| Representative | : | In person (written representations) |
| Respondent | : | Adriana Wilkinson |
| Representative | : | In person (written representations) |
| Type of application | : | Sections 13 and 14, Housing Act 1988 |
| Tribunal member | : | Mr Charles Norman FRICS Valuer Chairman |
| Date of Decision | : | 4 August 2023 |
| Date of Reasons | : | 25 September 2023 |
| REASONS | | |

Background

- 1. On 14 March 2023, the tenant of the above property referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988 ("the Act").
- 2. The landlord's notice, which proposed a rent of £2,090 per month is dated 10 March 2023. The notice proposed a starting date for the new rent of 2 May 2023. The rent passing was stated as being £1,395 per month.
- 3. The tenancy is an assured periodic tenancy. From the tenancy agreement a copy of which was provided with the application, the assured tenancy commenced on 23 January 2017.
- 4. On 28 April 2023, the Tribunal issued directions to the parties. The application was set down for a determination on the papers without a hearing or inspection, unless either party requested these, which neither did. The landlord was directed to complete a reply form giving details of the property, further comments, and any documents upon which the Tribunal was to rely, by 19 May 2023. The tenant was directed to do likewise by 2 June 2023. The landlord was entitled to submit a reply by 9 June 2023. Both parties made written representations.
- 5. On 4 August 2023, the Tribunal determined the rent at £1,620 per month with effect from 2 May 2023 being the date stated on the section 13 notice. Subsequently, the landlord requested Reasons.

The Property

6. From documents and photographs provided and Google Maps, the property is a modern end of terrace house which appears to date from the 1960s or 1970s. It comprises 2 bedrooms, 1 ensuite, a separate bathroom/WC, kitchen/diner and living room. There is a garden. The property has central heating, double glazing. Carpets curtains and white goods are provided by the landlord.

The law

7. The law as to the Tribunal's approach is given at section 14 of the Act which insofar as relevant is as follows:

(1)Where, under subsection (4)(a) of section 13 above, a tenant refers to a Tribunal a notice under subsection (2) of that section, the Tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the Tribunal 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;
[...].

The Tenant's Case

- 8. The tenants' case may be summarised as follows, excluding personal circumstances which the Tribunal cannot consider when determining the amount of rent.
- 9. A section 8 notice [under the Housing Act 2004] had been served. When let on 2 February 2017 the property was in a good condition. However, the tenants later experienced severe water leak problems coming from pipes under the sink, the pump in the cupboard on the first floor and the shower in the shower room. Further the water tank in the attic was overflowing. As repairs were not properly carried out, there was consequential damage to the property. There have also been electrical problems. The leaks caused damage to the ceiling of the living room and kitchen. The hole created by the leak was not fixed. There has been escape of water from the first floor causing visible leaks from spotlights in the kitchen ceiling. The landlord addressed this but the damage to the ceiling remained. There is an issue with the water tank in the attic. There is serious mould in both bedrooms above the windows. The tenants keep the windows open and use a dehumidifier. There is water condensation between the panes of the double glazed windows in both bedrooms. The previous oven caused damage to a kitchen cupboard.
- 10. The tenants referred to an online 'instant' valuation from Leaders' estate agents which showed a minimum rent of £1,305, a potential £1,595 and an average £1,450 per month. The tenant referred to photographs showing the defects referenced above. The tenant also referred to comparables. A modern two bedroom terraced house in Shirley Crescent Beckenham BR3 was marketed for £1,650 per month. From the agents' particulars, this did not have an ensuite bathroom but did have a conservatory. A much older two bedroom end of terrace house was available in Croydon Rd, Beckenham at £1,500 per month and a two-bedroom flat in Ravenscroft Road for £1,550 per month. A two bedroom flat in Southend Rd, Beckenham BR3 was available for £1,500 per month. A three-bedroom flat in South Eden Park Rd, Beckenham BR3 was available for £1,850 per month. An older threebedroom semi-detached house, which appeared to date from the 1920s was available at £1,800 per month at Green Way Bromley BR2. That had two bathrooms.

The landlord's Case

- 11. The landlord's case may be summarised as follows, excluding personal circumstances which the Tribunal cannot consider when determining the amount of rent.
- 12. The property was let in good condition, as supported by photographs. The landlord had consulted local agents and sought advice about rental value. Their recommendations consistently indicated a rental figure of approximately £2000 [per month]. The respondent used Zoopla to find comparable properties and found an absence of two-bedroom terraced houses available for rent owing to the high demand for such properties. The respondent had taken into account the going rate for a twobedroom flat of approximately £1,750 [per month]and the going rate for a three-bedroom house which was £2,300 [per month] and placed the subject property in the middle of this range. The respondent appended a letter from Thomas Howe estate agents who suggested an asking price of £2,000 per calendar month with a view to getting "as close to this is possible". The letter also referred to selling the property. The landlord also appended Right Move comparables. A three-bedroom house in Ernest Grove Beckenham BR3 was available for £2,100 per calendar month. This was a 1930s mid-terraced house. A threebedroom terraced house was available in Merlin Grove Beckenham BR34 £2.150 per calendar month. A two bedroom flat outside the school catchment area for Langley School was available for £1,750 per month in Cedars Rd, Beckenham BR3. A three-bedroom terraced house was available in Olyffe drive BR3 for £2,250 per calendar month. A one double bedroom end of terrace house in Turner's Meadow Way, BR3 was available for £1,400 per calendar month. Disrepair was caused by lack of cleaning and maintenance and drying clothes on radiators. This was related to the property being overcrowded, being occupied by a family of five.

Findings

13. The Tribunal firstly assessed the rental value of the property had it been in good condition when the section 13 notice was served. The condition of the property when let in 2017 is not relevant to this. The Tribunal was not persuaded that three-bedroom comparables were particularly relevant, nor older houses which generally have two reception rooms. It also placed less weight on flats as they are not directly comparable. It did not place weight on the Leaders online valuation. Having regard to the two bedroom house comparables and giving some limited weight to the marketing letter from Thomas Howe, the Tribunal finds that the monthly rental would be £1.850 had the property been in full repair and ready for letting. However, the property is not in that condition. There is clear evidence from the tenant's photographs of serious mould to the bedroom ceilings, damage the fitted kitchen units, staining to the kitchen ceiling and mould around window frames. The tenants have given a plausible explanation for the cause of this damage arising from water leakage. They also state that they have taken reasonable steps to avoid excess condensation in the property. The Tribunal prefers these explanations to those of the respondent. Accordingly, the Tribunal is required to make a deduction to reflect the impact on market value of these disrepairs. The Tribunal assessed this adjustment as 12.5% or £231.25 per month which would give an adjusted market rent of £1,618.75 per month. This the Tribunal rounded to £1,620 per month. The Tribunal found that this increased rent became payable from 2 May 2023 being the date specified in section 13 notice.

Mr Charles Norman FRICS Valuer Chairman 23 September 2023

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.