



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

Case reference : **LON/OOBH/MNR/2023/0403**

Property : **124 Francis Road, Leyton, London E10
6PR**

Applicant : **Ms Detelina Valeva**

Representative : **None**

Respondent : **Mr Osman Khaliq c/o Mr Mayet**

Representative : **In Estates Ltd**

Type of application : **Section 13(4) Housing Act 1988**

Tribunal members : **Mr D Jagger MRICS
Mr O Miller**

Venue : **Video Hearing with inspection.**

**Date of Extended
Reasons** : **25th January 2024**

DECISION

Decision of the tribunal

- (1) The Tribunal determines that the rent that the property in its current condition as at the 12th May 2023 might reasonably be expected to achieve in the open market under an assured tenancy is **£1,445 per month**

Background

1. The tenants have lived in the property as assured periodic tenants since 27th November 2019 and the current Assured Tenancy Agreement commenced on the 1st October 2022 for a term of 12 months.
2. On the 23rd August 2023 the landlord served a notice pursuant to section 13(2) of the Housing Act 1988 seeking to increase the rent from £1,120 per month to £1,700 per month, being an increase of £580 effective from 1st October 2023.
3. By an application dated 21st September 2023, the tenant referred that notice to the Tribunal for a determination of the market rent. The Tribunal issued Directions for the conduct of the matter on 31st October 2023.
4. Initially the matter was set down for a face-to-face hearing, but at the request of the landlord's representative this was transferred to a Video hearing followed by an inspection of the property.

The Evidence

5. The Tribunal has before it, a bundle of evidence which includes a background to the case, the application, the directions, the tenancy agreement, completed rent appeal statements on behalf of the landlord and the tenant together with photographic evidence and a statement of case from each party. The landlord submitted a list of comparable evidence which ranged between £1,600 per month and £1,850 per month.
6. A Video Hearing took place on the 15th January 2024 which was attended by the landlord's representative Mr Mayet and the tenant. During the hearing, each party were given the opportunity to explain their cases. In particular the tenant confirmed there was a history of damp issues to the ground floor flat and Mr Mayet for his part stated the flat has be the subject of damp treatment backed up by a meaningful guarantee. In addition, the letting agent has carried out two successive inspections which revealed no significant damp issues. In fact, any mould staining should be wiped clean by the tenant.

Inspection

1. The Tribunal inspected the property on the 15th January 2024 in the presence of the tenant, Mr Mayet confirmed a representative from the landlord's letting agent In Estates Ltd would be in attendance. The Tribunal confirmed that traffic prevailing, the members of the Tribunal would attend the property at 11.45am and this was the time of arrival. The inspection took some 20 minutes and at that time the letting agent did not attend. The inspection revealed the property was originally built as a one-bedroom flat with a separate access. Over the years, the layout of these properties has been rearranged to provide two bedrooms and a small living room and kitchen at the rear. The front room of the flat is suffering from significant damp and condensation issues. There is black pin mould growth around the front bay and extensive damp staining to the outer flank wall. In the Tribunal's opinion these are more than condensation issues due to "life style". There appears to be inherent damp problems which require further investigation from the landlord. These are potential health issues particularly for people with respiratory problems. The kitchen and bathroom fittings are dated and there is evidence of crumbling plaster under the thick wallpaper covering.
2. The accommodation comprises: 2 bedrooms, living room, kitchen, bathroom and rear garden. There is central heating and double-glazed windows. Roadside parking is provided by permit. The landlord confirms the property was refurbished in 2020 at the date of the commencement of the tenancy.

The Law

1. The rules governing a determination are set out in section 14 of the Housing Act 1988. In particular, the Tribunal is to determine the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy, subject to disregards in relation to the nature of the tenancy (i.e. it being granted to a "sitting tenant") and any increase or reduction in the value due to the tenant's improvements or failure to comply with the terms of the tenancy. In the absence of any evidence to the contrary, the Tribunal has proceeded on the basis that the landlord is responsible for repairs to the structure, exterior and any installations pursuant to section 11 of the Landlord and Tenant Act 1985 and the tenant for interior decoration.

The valuation

9. Having carefully considered all the evidence the Tribunal considers that the rent that would be achieved in good condition with reasonably

modern kitchen and bathroom fittings, modern services, carpets, curtains and white goods supplied by the landlord would be **£1,700** per month. This figure is based upon the comparable evidence provided by the landlord and the Tribunal's professional judgement and experience.

10. However the Tribunal now needs to adjust this figure to allow for the internal condition with evidence of extensive mould to the front room, dated kitchen fittings and sanitaryware and poor layout configuration. The Tribunal has considered very carefully the parties submissions and using its own expertise, concluded that a deduction of 15% (£255) should be applied. This reduces the rental figure to £1,445 per month. It should be noted that this figure cannot be a simple arithmetical calculation and is not based upon capital costs but is the tribunal's estimate of the amount by which the rent would need to be reduced to attract a tenant.
- 11 The average rent for rental properties in the East London area has increased every quarter since the end of 2019, according to the online property portal Rightmove. The rent increases are due to not enough properties coming to the market to meet demand and the number of homes for rent is 46% below 2019 levels. This puts this decision in context with the current rental market.
11. The Tribunal has been provided with a copy of the tenancy agreement, which incorporates the usual repair obligations.
12. The Tribunal received no evidence of hardship and, therefore, the rent determined by the tribunal is to take effect from **1st October 2023**.

D Jagger MRICS Valuer Chair

25th January 2024

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).