



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

Case Reference : **CHI/29UN/MNR/2023/0259**

Property : **8 Ingle Close
Birchington
Kent
CT7 9EB**

Applicant Tenants : **Mr S Hickley**

Representative : **Setfords Solicitors**

Respondent Landlord : **Grisla Limited**

Representative : **365 Asset Management**

Type of Application : **Determination of a Market Rent sections
13 & 14 of the Housing Act 1988**

Tribunal Members : **Mr I R Perry FRICS
Ms C D Barton MRICS
Mr S J Hodges FRICS**

Date of Inspection : **None. Paper determination**

Date of Decision : **28th December 2023**

DECISION

Summary of Decision

1. On 28th December 2023 the Tribunal determined a market rent of £610 per month to take effect from 10th November 2023.

Background

2. The case concerned the determination of a market rent for the subject property following a referral of the Landlord's notice of increase of rent by the Tenant pursuant to sections 13 and 14 Housing Act 1988.
3. On 2nd October 2023 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £2,000 per month in place of the existing rent of £325 per month to take effect from 10th November 2023. The notice complied with the legal requirements.
4. On 24th October 2023 the Applicant's Agent applied to the Tribunal under Section 13(4) (a) of the Housing Act 1988.
5. The Tribunal does not routinely consider it necessary and proportionate in cases of this nature to undertake inspections or hold Tribunal hearings unless either are specifically requested by either party or a particular point arises which merits such an inspection and/or hearing.
6. The Tribunal issued directions on 3rd November 2023 informing the parties that, unless either party objected, the Tribunal intended to determine the rent based on written representations. The parties were invited to make submissions which could include photographs or videos.
7. Both parties submitted papers by the specified dates in support of their respective cases. The papers were also copied to the other party.
8. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 28th December 2023 based on the written representations received.
9. These reasons address in summary form the key issues raised by the parties. They do not recite each and every point referred to either in submissions or during any hearing. The Tribunal concentrates on those issues which, in its opinion, are fundamental to the application.

The Law

S14 Determination of Rent by First-tier Tribunal

- (1) Where, under subsection (4) (a) of section 13 above, a tenant refers to a First-tier 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; and
 - (d) in respect of which the same notices, if any, have been given under any of Grounds 1 to 5 of Schedule 2 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 subsection (1) 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.
- (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.

The Property

10. From the information given in the papers and available on the internet the property comprises a post-war semi-detached bungalow situated at the head of a cul-de-sac of similar properties on the eastern side of Birchington-on-Sea, about 500 metres from Epple Bay. There are shops, schools and a railway station in the town.

11. The property backs onto parkland and the accommodation is listed as including a Hall, Living Room, Kitchen, WC, 2 Bedrooms and a Bathroom. Outside there are gardens to front and rear, a drive and a garage.
12. The property is said to have gas-fired central heating and double-glazed windows. The Energy Performance Rating is 'E' and the certificate states that the property has a floor area of 73 square metres. The certificate also states that the property is single glazed.

Submissions

13. The initial tenancy for a term of 2 years began on 10th November 2014 at a rent of £325 per month. The rent has not been increased since that date.
14. The Landlord's submissions state that carpets, curtains and white goods are all provided by the Tenant, that he has only recently acquired the property and that the Tenant has so far denied the Landlord access to the property despite 4 written requests.
15. The Landlord points out that the Tenant has responsibilities to keep the property in good repair and decorative condition and that the Landlord is not obliged to carry out repairs unless notified of them by the Tenant.
16. The Landlord submits a desktop valuation prepared by Andrew J Nichols FRICS who assesses an open market rent for the property in a habitable and lettable condition at a figure of £1,400 per month.
17. The Landlord also submits a short letter from Covent Garden Capital Limited who offer £1,900 per month on a company let on an initial term of 1 year. This letter makes no provisos as to the condition of the property.
18. The Tenant's Agent states that when the tenancy began the property was in such poor condition that the Landlord's lawyers declined to enter the building, but the Tenant was prepared to take a tenancy and carry out necessary repairs and improvements to the property which have included extensively repairing the conservatory, which is not mentioned by either party in the accommodation. In addition the Agent states that the Tenant has replaced some rainwater goods, replaced plumbing and fitted new radiators, replaced carpets, repaired a boiler, repaired electrical wiring and replaced wooden windows with double glazing throughout. The submission includes a long list of outstanding repair issues and 47 internal photographs in support of these points. The Agent states that the cooker is not owned by the Tenant.
19. The Tenant has also obtained a surveyor's report which is dated 25th September 2023 and prepared by C S P Hart BSc (Hons) MRICS SPINZ of Greenstone Chartered Surveyors who inspected the property on 22nd September 2023. This report states that the property is in generally poor condition and requires extensive refurbishment, renewal of fittings and redecoration and that the electrical installation is considered dangerous. The report concludes that if the property was refurbished a rental value of £1,100 is likely to be achieved.
20. The report included some photographs of the inside and outside of the property.

Consideration and Valuation

21. The Tribunal first considered whether it felt able to reasonably and fairly decide this case based on the papers submitted only with no oral hearing. Having read and considered the papers, including surveyor's reports, it decided that it could do so.
22. The Tribunal did not attach any value to the short letter from Covent Garden Capital Limited as it gave no explanation how it had arrived at such an offer and made no comment as to the condition of the property or what level of internal fitting would be required to achieve such a figure.
23. The Tribunal took heed of the report prepared by Mr Nichols FRICS but placed greatest emphasis on the report from Greenstone Chartered Surveyors as they had inspected the property fully, both inside and out.
24. The Tribunal is required to determine the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under an assured tenancy. The personal circumstances of the parties are not relevant to this issue.
25. The submissions from the Tenant's Agent might suggest that the property is uninhabitable but the report from Greenstone with photographs clearly showed that someone does live at the property although not perhaps in a style or condition that might be regarded as normal.
26. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in northeast Kent the Tribunal decided that the market rent for the subject property if let today in a condition that was usual for such an open market letting would be £1,100 per month.
27. However, the property is clearly not in a condition to command such a rent, nor is it let on the same basis as an open market letting where all white goods, flooring and curtains are all normally provided by the Landlord.
28. Using its experience the Tribunal decided that the following adjustments should be made:

Tenant's provision of white goods, excluding cooker	£30
Tenant's provision of carpets and curtains	£60
Dated kitchen	£100
Dated bathroom	£50
General condition, disrepair and Tenant's improvements discounted	£250
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TOTAL per month	£490

29. The Tenant made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenant undue hardship.

Determination

30. The Tribunal therefore decided that the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under the terms of this assured tenancy was £610 per month.
31. The Tribunal directed that the new rent of £610 per month should take effect from 10th November 2023, this being the date specified in the notice.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case. Where possible you should send your application for permission to appeal by email to rpsouthern@justice.gov.uk as this will enable the First-tier Tribunal Regional office to deal with it more efficiently.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.