



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

Case Reference : **CHI/23UE/MNR/2024/0032**

Property : **Flat 10
5 St Catherine Street
Gloucester
Glos
GL1 2BS**

Applicant Tenant : **Mr P Rueda and Mr P J P Exposito**

Representative : **None**

Respondent Landlord : **Mr N Harvard**

Representative : **Sure Sales & Lettings**

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

Tribunal Members : **Mr I R Perry FRICS
Mr M J F Donaldson FRICS
Mr K Ridgeway MRICS**

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

Date of Decision : **11th April 2024**

DECISION

Summary of Decision

1. On 11th April 2024 the Tribunal determined a market rent of £800 per month to take effect from 6th April 2024.

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 Tenants pursuant to sections 13 and 14 Housing Act 1988.
3. On 22nd January 2024 the Landlord's Agent served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £800 per month in place of the existing rent of £700 per month to take effect from 6th April 2024. The notice complied with the legal requirements.
4. On 7th February 2024 the Tenants 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 20th March 2024 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 setting out 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 11th April 2024 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. However, this does not imply that any points raised, or documents not specifically mentioned were disregarded. If a point or document was referred to in the evidence or submissions that was relevant to a specific issue, then it was considered by the Tribunal. 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 second floor flat within a modern 3-storey purpose-built block of similar flats situated close to the centre of Gloucester. All main amenities are available within the city.
11. The accommodation is listed as including a Living room, Kitchen, 2 Bedrooms and a Bathroom. There is a nominated car space.
12. The property has electric heating and double-glazed windows. The EPC rating is 'D' and the certificate expires in 2027.

Submissions

13. The initial tenancy began on 6th November 2017 at a rent of £575 per month. Mr Exposito seems to have succeeded Miss A F Hernandez who was an original joint tenant with Mr Rueda.
14. The original tenancy agreement contains a clause, 3.6, to the effect that "In the event of the term hereby granted continuing and exceeding the period of one year the Landlord shall be entitled to adjust the amount of the rent in line with RPI (rental price index) giving the tenant one month's notice and the rent so determined shall be the rent payable on the expiry of such notice. This will apply on each yearly anniversary thereafter."
15. This clause is referred to by the Applicant, but the Tribunal has no response from the Landlord or his Agent.
16. The Landlord's Agent submits that the Landlord provides fitted floorings, curtains and white goods, that the carpets were renewed in February 2024 and that the property was painted throughout in March 2024.
17. The Agent further submits that another 2-bedroom flat in St Catherine Street has been let for £875 per month and refers to 5 other comparables, all within ½ mile, let for rents between £825 and £925 per month. A Rightmove report is also submitted of 2-bedroom flats within Gloucester centre with rents in the range £825 to £1,000 per month.
18. The Tenants submit that the recent decoration is not of a very good standard and refer particularly to one window which does not close completely, thereby allowing rain in.
19. The Tenants also refer to other properties let in the area for £700 per month and state that rents in Quedgeley, an outer suburb of Gloucester, are only being increased by 7.2% and 6.1%.
20. The Tenants provide photographs which show some staining to the bathroom tiling, minor faults to decoration and some black mould around one window.

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 it decided that it could do so.
22. The Tribunal considered clause 3.6 of the original agreement which specifies that the Landlord may increase the rent in line with the Rental Price Index. Section 14 of Housing Act 1988 requires the Tribunal, where a notice of rent increase has been referred to the Tribunal, to determine the rent at which the Tribunal considers that the dwelling concerned might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy. The Tribunal cannot comment upon or decide whether clause 3.6 of the original agreement limits the rent that can be charged. This would be a matter for the County Court to decide.
23. The personal circumstances of the Parties are not relevant to this issue.
24. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in Gloucester, 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 £800 per month. This new rent takes into account the faults raised by the Tenants.
25. The Tenants made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenants undue hardship.

Determination

26. 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 £800 per month.
27. The Tribunal directed that the new rent of £800 per month should take effect from 6th April 2024 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.