



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

Case Reference : **CAM/26UL/MNR/2023/0143
A:BTMMREMOTE**

Property : **8 Poppy Walk Hatfield AL10 9FP**

Applicant : **Janos Szabo**

Respondent : **West Hyde Property Limited**

Type of Application : **Determination of the market rent
under Section 14 Housing Act 1988**

Tribunal : **Mrs E Flint FRICS**

**Date and venue of
Determination** : **28 May 2024
remote video hearing**

DECISION

This has been a remote hearing which has not been objected to by the parties. A face to face hearing was not held because it was not practicable and all the issues could be determined in a remote hearing. The documents I was referred to at the hearing were in a bundle I also had the written submissions submitted by both parties previously and copies of the application and landlord's Notice of Increase, the contents of which I have recorded. The order made is described at the end of the reasons.

The market rent is £745 per month with effect from 9 May 2024.

Background

1. On 3 October the tenant referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988.
2. The landlord's notice, which was dated 4 September 2023, proposed a rent of £745 per month with effect from 9 October 2023 in place of the existing rent of £645 per month.
3. The tenant occupies under a periodic tenancy which commenced on the expiry of a tenancy for six months from 9 October 2018 at an initial rent of £500 per month.
4. Directions were issued by the tribunal on 23 June 2023. The Tribunal determined the rent on 15 December 2023. The tenant sought permission to appeal that determination as the Tribunal had not been provided with a copy of his evidence. The December 2023 decision was reviewed to take into account the tenant's evidence, which included a large number of comparables and a reviewed decision was issued dated 2 February 2024. The landlord sought to appeal that decision on the grounds that he had not had an opportunity to comment on the evidence provided by the tenant and provided additional evidence which he wished the Tribunal to consider in reaching its decision. Final Directions were issued on 14 March 2024.
5. Prior to the hearing the landlord prepared a bundle of 43 pages.

The Hearing

6. Mr Szabo referred to his written submissions and said he was relying on the comparables he had supplied previously. In particular his next door neighbour, occupying an identical room was paying a rent of only £500 per month. He did not know when the rent had been set but it was still £500 per month.
7. His room was furnished, he shares the use of the kitchen, bathroom and garden with the other tenants in the house. He was concerned that the doorbell was not functioning, his room was next to the front door. He was the only one who heard visitors banging on the door. He scanned around the room using his computer screen so that I could see his accommodation.
8. In his written submissions, which were accompanied by a screenshot of his internet search, Mr Szabo stated that the existing rent was £545 per month not £645 as stated on the notice because the landlord's previous notice of increase had been held to be invalid by the tribunal. (CAM/26UL/MNR/2022/0090).

9. He had searched the internet for single rooms in house/flat shares and found 28 within Hatfield. The rents ranged from £395 to £825 per month of which only five were above £600 per month. The average of all twenty-eight was £558 per month therefore his current rent was only a little below the average. He was of the opinion that the current rent of £545 per month was a fair price.
10. Mr Simon Taylor, on behalf of the landlord, stated that the company manage 140 rooms in 28 Houses in multiple occupation (HMOs) in Hatfield. The rooms were advertised on Spareroom. He agreed with Mr Szabo's description of the accommodation but did not accept that his comparables were comparable to the company's portfolio which was managed by a small number of full time staff. The houses were nice, clean and well maintained. The rent included council tax, TV licence, high speed broadband, electricity, heating and hot water, all repairs and gardening. There was no deposit payable and the company was flexible in terms of notice if a tenant wished to leave. Most tenants stayed for between 18 months and 2 years.
11. The applicant was the only existing tenant who had objected to the increase in rent. The company had about three hundred tenants spread across the entire portfolio. Until September 2021 the company had rarely increased the rent of existing tenants.
12. Mr Szabo originally occupied a smaller room at £500 per month. He subsequently had asked to move into his present room at a rent of £545 per month from January 2022. In October 2022 a Notice of Increase to £645 per month was served. Mr Szabo had appealed to the Tribunal. The Tribunal had not issued a decision and therefore the rent should be £645 per month from October 2022. He said that the tenant had refused to pay the increase.
13. Mr Taylor referred to a schedule of 108 rents dating from 22 October 2022 to 21 March 2024. There were seven rooms in the portfolio identical to the subject room, he had highlighted four of these rooms, one of which was situated within 50 metres of 8 Poppy Walk, where there had been new lettings at rents of £825 and £745 per month. The company had not maintained the asking rent of £825 and had reverted to the previous level of £745 per month. Most other single rooms were let at £675 or £695 per month, depending upon their size. The subject room was similar in size to a single garage.
14. He said that it was not clear from the tenant's comparables whether the rooms were let separately as here or were house shares where each tenant is jointly and severally for the whole rent.
15. Mr Szabo in response to being asked if backdating any increase would cause him undue hardship explained that he was unemployed, had no savings and had been relying on financial help from a member of his family. He had used up almost all of his savings.
16. Mr Taylor did not know that Mr Szabo was unemployed and suggested that Mr Szabo should send copies of his recent bank

statements to show the Tribunal his present financial position. Mr Szabo agreed to do so and I have seen several months bank statements together with confirmation that these represent his financial situation and that he has no other accounts.

The law

17. In accordance with the terms of section 14 Housing Act 1988 I proceeded to determine the rent at which I considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.
18. In so doing I, as required by section 14(1), ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act and also any items of disrepair which either the tenant had not reported to the landlord or had not allowed access for the landlord to carry out the necessary repairs.

Valuation

19. In coming to my decision, I took into account the rental comparables provided by both the landlord and the tenant. I determine that the best evidence is that provided by the landlord of identical rooms let on the same terms in similar houses to the subject situated nearby and determine that the open market rent is £745 per month.
20. I have read the case papers in the previous application which both parties referred to during the hearing. Mr Taylor thought that as the Tribunal had not determined that the notice was of no effect, by not accepting jurisdiction he could demand the higher rent. Mr Szabo said that he thought he could continue to pay £545 per month.
21. The Tribunal had issued a preliminary view that the Tribunal did not have jurisdiction to deal with the application because the October 2022 Notice was invalid as the rent increase was less than twelve months since the previous rent had been agreed. As neither party made any further submissions the application was struck out.
22. It is agreed by both parties that the October 2022 increase was some nine months since the previous rent had been agreed in January 2022. Consequently, the Notice did not comply with the statutory provisions and was invalid: an invalid notice is of no effect. I agreed to set out the consequences of an invalid notice in this decision so that the parties knew how much rent was payable and from what date.
23. I am satisfied, having heard from Mr Szabo and seen details of his financial position that backdating the increase to 9 October 2023

would cause him undue hardship. I therefore use my discretionary power to determine that the new rent is payable from 9 May 2024.

The decision

24. The revised rent of £745 per month is effective from 9 May 2024 for the reasons set out above.

Chairman: Evelyn Flint

Dated: 31 May 2024

ANNEX - RIGHTS OF APPEAL

- I. 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 should be made on Form RP PTA available at <https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>
- II. 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.
- III. 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.
- IV. 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. Please note that if you are seeking permission to appeal against a decision made by the Tribunal under the Rent Act 1977, the Housing Act 1988 or the Local Government and Housing Act 1989, this can only be on a point of law.

Appendix Housing Act 1988

14 Determination of rent by rent assessment committee.

(1) Where, under subsection (4) (a) of section 13, a tenant refers to a rent assessment committee a notice under subsection (2) of that section, the committee shall determine the rent at which, subject to subsections (2) and

- (4) below, the committee 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 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....

(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 ... 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, with effect from such later date (not being later than the date the rent is determined) as the appropriate tribunal may direct.

Notice of the Tribunal Decision and Register of Rents under Assured Periodic Tenancies (Section 14 Determination)

Housing Act 1988 Section 14

Address of Premises

8 Poppy Walk Hatfield AL10 9FP

The Tribunal members were

Mrs E Flint FRICS

Landlord

West Hyde Property Limited

Address

West Hyde House Old Uxbridge Road West Hyde Herts WD3 9XP

Tenant

Janos Szabo

1. The rent is: £

745

Per

month

(excluding water rates and council tax
but including any amounts in paras 3)

2. The date the decision takes effect is:

9 May 2024

*3. The amount included for services is
not applicable

Per

*4. Service charges are variable and are not included

5. Date assured tenancy commenced

9 April 2019

6. Length of the term or rental period

monthly

7. Allocation of liability for repairs

S11 applies

8. Furniture provided by landlord or superior landlord

Table chair bed dresser and cabinet

9. Description of premises

Room in house shared with five other tenants

Chairman

E Flint

Date of Decision

31 May 2024