

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	LON/00BF/MNR/2023/0477
Property	:	14 Assembly Walk, Carshalton, London, SM5 1JH
Tenants	:	Safeer Ahmad Gulzar and Nayla Gulzar
Landlord	:	Binta Barot and Vishal Barot
Date of Objection	:	27 November 2023
Type of Application	:	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal	:	Judge Bernadette MacQueen Alison Flynn MA, MRICS
Date of Decision	:	30 May 2024
Date of Summary Reasons	:	3 June 2024

DECISION

The Tribunal determines a rent of £1,520 per calendar month with effect from 30 May 2024.

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SUMMARY REASONS

Background

- 1. On 30 October 2023 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £1,950 per calendar month in place of the existing rent of £1,300 per calendar month to take effect from 5 December 2023
- 2. On 27 November 2023 under Section 13(4)(a) of the Housing Act 1988, the Tenant referred the Landlord's notice proposing a new rent to the Tribunal for determination of a market rent. The Tenant's referral was received by the Tribunal on 27 November 2023.

Hearing and Inspection

3. The Tribunal held a short hearing on 30 May 2024 at 10 Alfred Place, London, WC1E 7LR, where it heard representations from the Tenants and Vishal Barot on behalf of the Landlord. The Tribunal also carried out an inspection of the property on the same day.

Evidence

- 4. The Tribunal considered the written submissions provided by the Tenants and the Landlord and the oral submissions given by both parties at the hearing. The Tenants and the Landlord had both completed the Tribunal's reply form. In addition, the Landlord had provided a letter dated 19 January 2024, a rental valuation report (15 December 2023), and an inspection report (29 November 2023).
- 5. At the hearing, the Landlord sought permission to include further evidence which had been sent to the Tribunal and the Tenants by email on 20 May 2024. This included a rent valuation (17 May 2024), inspection report (17 May 2024) and a repair invoice (3 May 2024). The Tenants did not object to this additional evidence being before the Tribunal.
- 6. The Tribunal considered the overriding objective as set out in rule 3 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, and in particular the need to deal with cases fairly and justly and the need to ensure, so far as practicable, that the parties are able to participate fully in the proceedings. The additional evidence had been sent to the Tenants in advance of the hearing and they had had time to consider it. There was therefore no prejudice to the Tenants by the Tribunal allowing the additional evidence to be included.

Tenants' Representations

- 7. The Tenants told the Tribunal that the new rent was too high and that their neighbours, who rented an identical property, were paying less as they had been paying £1,300 per month and were now paying £1,500 per month.
- 8. The Tenants also confirmed that they had completed work to the Property, such as erecting a new fence. The arrangement they had with the Landlord was that the Landlord supplied the materials and Vishal Barot completed the work.

Landlord's Representations

- 9. The Landlord told the Tribunal that the reason for the increase in rent was because of the economic climate. The valuations they had obtained from local estate agents gave a rent of £2,000 per calendar month, and so the Landlord believed that the rent that was being charged for the Property was below market value.
- 10 Additionally, the Landlord confirmed that they allowed the Tenants to have full access to the garden, which was not part of the tenancy agreement.

Determination and Valuation

- 11. Having considered the comparable evidence provided by the Landlord and using the Tribunal's own expert knowledge of rental values in the area, the Tribunal considered that the open market rent for the property in good tenantable condition would be in the region of £1,600 per calendar month. From this level of rent the Tribunal made a 5% adjustment to reflect the condition of the staircase to the Property, and the mould in the bathroom and the lack of an extractor fan in the bathroom.
- 12. The full valuation is shown below:

Market Rent

£1,600 per calendar month

Less 5% deduction for:

Condition of Staircase to Property Mould in bathroom and lack of extractor fan

Total Deduction: 5% (£80)

The Tribunal determined a rent of £1,520 per calendar month.

Hardship

- 13. Section 14(7) of the Housing Act 1988 gives the Tribunal discretion to backdate the commencement of the new rent to the date of its decision rather than the date specified in the notice to increase rent where this would cause undue hardship.
- 14. The Tribunal considered the financial information that the Landlord had provided regarding Big Boss Property Services which was said by the Landlord to be the Tenants' company. The Tenants stated that the money shown did not belong to them and that if the rent was backdated to 5 December 2023 this would cause them hardship.
- 15. The Tribunal accepted the evidence of the Tenants and, in particular, that they had a young family and would suffer hardship if the rent was backdated to 5 December 2023. The Tribunal therefore found that the rent of £1,520 per calendar month would take effect from the date of this determination namely 30 May 2024.

Decision

- 16. The Tribunal determined that 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 was £1,600 per calendar month. A 5% deduction for the reasons set out above was made, meaning that the Tribunal determined the rent at £1,520 per calendar month.
- 16. The Tribunal directed that the new rent of £1,520 per calendar month take effect on 30 May 2024 as the Tribunal was satisfied that a starting date of that specified in the Landlord's notice would cause the Tenants undue hardship.

Judge Bernadette MacQueen

Date: 3 June 2024

APPEAL PROVISIONS

These summary reasons are provided to give the parties an indication as to how the Tribunal made its decision. If either party wishes to appeal this decision, they should first make a request for full reasons and the details of how to appeal will be set out in the full reasons. Any request for full reasons should be made within a month. Any subsequent application for permission to appeal should be made on Form RP PTA.