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

Case reference	:	TR/LON/OOAG/MNR/2024/0014
Property	:	Flat 5 McGovern, 221a Belsize Road, London, NW6 4AA
Applicant Tenants	:	Kunle Haroun
Representative	:	Marcin Brajta of Camden Community Law Centre
Respondent Landlord	:	Aubtino Limited
Representative	:	Alfred Yazdiha
Type of application	: 1988	Determination of a Market Rent Sections 13 & 14 Housing Act
Tribunal member(s)	:	Mr R Waterhouse FRICS Mrs J Hawkins
Date of determination	:	24 May 2024 <mark>amended 7 June 2024</mark>
Date of reasons	:	24 May 2024 <mark>amended 7 June 2024</mark>
REASONS		

## REASONS

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## Request by Respondent dated 4 June 2024 for Tribunal to review the decision

The Respondent Landlord Mr. A Yazdiha requested the Tribunal amend paragraph 18 in the original decision to correct a factual inaccuracy relating the rent on the subject premises. The Tribunal has reviewed the decision under Tribunal Procedure (First –tier Tribunal) (Property Chamber) Rules 2013 and Practice Directions Rule 50 "Clerical mistakes and accidental slips or omissions" and amended the error.

### **Decision of the Tribunal**

# On 24 May 2024 the Tribunal determined a Market Rent of £1300.00 per month to take effect from 15 December 2023.

### **Background**

- 1. By way of an application received by the Tribunal on **13 December 2023** the Applicant tenants of **Flat 5 McGovern, 221A Belsize Road**, **London, NW6 4AA** (hereinafter referred to as "the property") referred a Notice of Increase in Rent ("the Notice") by the Respondent landlord of the property under Section 13 of the Housing Act 1988 ("the Act") to the Tribunal.
- 2. The Notice, dated **11 November 2023**, proposed a new rent of **£1,380.00 per month** in lieu of a passing rent of **£1280.35 per month**, to take effect from **15 December 2023**.
- 3. The property was let to the Tenants by way of an Assured Shorthold Tenancy agreement commencing **15 February 2021**, for **12 months.** A copy of the tenancy agreement was provided.
- 4. On **23 January 2024**, and subsequently amended on **16 April 2024**, the Tribunal issued Directions advising the parties that it considered the matter suitable for determination on the papers unless either party objected, in writing, within 7 days. In accord with current Tribunal policy the parties were advised that no inspection would be undertaken. No objections were received.
- 5. The Directions required the Landlord and Tenant to submit their completed statements to the Tribunal by **13 February 2024** and **7 March 2024** respectively, with copies to be sent to the other party. Both parties complied.
- 6. Having reviewed the submissions, the Tribunal concluded that the matter remained capable of being determined fairly, justly and efficiently on the papers, consistent with the overriding objective of the Tribunal.
- 7. These reasons address in **summary form** the key issues raised by the parties. They do not recite each point referred to in submissions but concentrate on those issues which, in the Tribunal's view, are fundamental to the determination.

<u>Law</u>

8. In accordance with the terms of Section 14 of the Act, the Tribunal is required to determine the rent at which it considers the subject property might reasonably be expected to let on the open market, by a willing Landlord, under an assured tenancy, on the same terms as the actual tenancy.

9. In so doing, and in accordance with the Act, the Tribunal ignores any increase in value attributable to tenants' improvements and any decrease in value due to the tenants' failure to comply with any terms of the tenancy.

## **The Property**

10. The Tribunal did inspect the property on the 24 May 2024 and found the property to be a studio flat located on the ground floor of the building of similar studios. The studio is in good order, the shower room and the kitchen are on the side of the railway. The living and sleeping area face the road. The property has triple glazing. The Tribunal inspected the property and during the inspection trains did pass along the line. There was with the window shut a limited noise and vibration discernable from the line, within the property.

### Pre Hearing <u>Submission – Tenants</u>

- 11. The Tenants' submissions, excluding consideration of personal circumstances which are to be disregarded in setting a market rent under the Act, can be <u>summarised</u> as follows.
- 12. From the Application Form, the property when let contained a cooker, fridge, one table a wardrobe and a chair. The Landlord being responsible for external, internal repairs and the Tenant to keep the fixtures and fittings in good order. Additionally, the Tenancy Agreement and the Notice of Increase of Rent were included.
- 13. Within the Application form, the Tenant notes issues with insects and ants gaining access to the property.
- 14. The Tenant returned a completed Reply Form noting the property is double glazed, has central heating and that the white goods were supplied by the Landlord. The Tenant notes the proximity of the property to the railway line and asserts that there is excess noise from the line.

## **Hearing Submissions – Tenant**

15. Mr Brajta presented a Skeleton Argument to represent the Applicant's case. He set out the size and nature of the property and furnished the Tribunal with several marketing details for properties within the vicinity he felt were similar. Additionally, he said that whilst the original rent was £1280.35 per month, during Covid it had been reduced to £1000.00 per month. This was then later sought to be increased by the landlord. He submitted that the appropriate level of rent was between £1000.00 and £1200.00 including the utilities but excluding council tax.

## **Submissions- Landlord**

16. The Landlord Mr Yazdiha returned a completed Reply Form, noting the contractual tenancy ran from 23 May 2022 for 24 months, at a rent of £1280.35 pem which also included a £2000 incentive payment from

Camden Council. Also, the Tenant would pay £40 pem for utilities. By letter dated 30 January 2024 to the Tribunal, Aubtino Ltd stated that the rent had been reduced to £1000 pem although not clear from when this took effect. The letter states the rent includes hot and cold water, electricity, heating and fibroptic WI FI internet.

- 17. The Landlord Mr Yazdiha submitted a number of documents prior to the hearing, including comparables of lettings within the building, and locality. One document, a letter dated 30 January 2024 to the Tribunal noted, a section 13 rent increase was sent to the Tenant by Whats App on 28 June 2022 with later hard copy dated 5 July 2022 the new rent being £1380.00. The Rent being inclusive of hot and cold water, electricity heating, and fiberoptic WI FI internet. Previously the rent was £1280.45 per month which the landlord had agreed a discount of £280.45 per month during COVID.
- **18.** The Landlord submitted a number of documented including photographs of the property, and details of other properties on the market. The Landlord contends that the property inclusive of services will achieve £1400 per month.

### Hearing Submissions- Landlord

19. The Landlord submitted the property was relatively newly built, and specifically designed to cater for its proximity to the railway line. Noting that before Building regulations were signed off the building had been specifically acoustically tested. He noted there was considerable demand in the area and that similar studios in his experience let extremely quickly at their asking figures. He submitted that the figure in the Notice was the correct figure and that it included utilities.

#### Determination

- 20. The Tribunal has carefully considered all the submissions before it.
- 21. The Tribunal determines a market rent for a property by reference to rental values generally and, in particular, to the rental values for comparable properties in the locality. The Tribunal has no regard to the current rent and the period of time which that rent has been charged, nor does it take into account the percentage increase which the proposed rent represents to the passing rent. In addition, the legislation makes it clear that the Tribunal is unable to account for the personal circumstances of either the Landlord or the Tenant.
- 22. The date at which the Tribunal assesses the rent is the effective date contained within the landlord's Notice which, in this instance, is the **15 December 2023.** The Tribunal disregards any improvements made by the tenants but has regard to the impact on rental value of disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.
- 23. In the first instance, the Tribunal determined what rent the Landlord could reasonably be expected to obtain for the property in the open market, if it were let on the effective date and in the condition that is considered usual

for such a market letting.

- **24.** The Landlord relies upon a basket of comparable properties advertised as available to let.
- **25.** The Tribunal weighed the parties' comparable evidence against its own expert knowledge as a specialist Tribunal and having regard to the nature, specification and size of the subject property determined **£1300.00 per month**, including the services provided for under the tenancy.
- 26. The Tribunal is grateful for the submissions on condition by the Landlord and the Tenant.
- 27. Accordingly, the Tribunal finds no adjustments are warranted and the rent determined is **£1,300.00 per month**, including the services provided for under the tenancy.
- 28. The Tenants made no submissions to the Tribunal in regard to delaying the effective date of the revised rent on the ground of undue hardship under section 14(7) of the Act. Accordingly, the rent of **£1300.00 per month** will take effect from **15 December 2023**, that being the date stipulated within the Landlord's notice.

Valuer Chair Waterhouse

Date: 24 May 2024 amended 7 June 2024

#### **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 by email to <u>rpsouthern@justice.gov.uk</u> to the First-tier Tribunal at the Regional office which has been dealing with the case.
- 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.