



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

Case Reference : **LON/00AP/MNR/2024/0093
P:PAPERREMOTE**

Property : **346B Alexandra Park Road London
N22 7BD**

Applicant : **Mrs Arzu Pesmen**

Respondent : **Stella Bella Properties Limited**

Representative : **Fahri LLP**

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

Tribunal : **Mrs E Flint FRICS**

**Date and venue of
Hearing** : **18 June 2024
Remote on the papers**

DECISION

The market rent is **£1,050** per month with effect from 22 March 2024.

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Background

1. On 21 February 2024 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 served on 19 January 2024, proposed a rent of £1,500 per month with effect from 22 March 2024 in place of the existing rent of £840 per month.
3. The tenant occupies under the terms of a tenancy for one year from 22 March 1995.
4. Directions were issued by the tribunal on 25 April 2024.
5. Prior to the hearing both the landlord and the tenant sent submissions to the tribunal and copied them to the landlord's agent, no representations were made by or on behalf of the landlord.

The Evidence

6. The flat is on the ground floor of a converted semi-detached house. The accommodation comprises two rooms, kitchen and bathroom/wc with use of a shared garden.
7. The tenant in written submissions, stated that she had refitted the kitchen, replaced the front and bedroom doors, provided a wash basin and vanity unit in the bathroom, replaced the electric sockets, provided laminate flooring and white goods. She provided copies of various receipts and photographs in support of her evidence.
8. Externally the garden wall was cracked, there were holes in the shared driveway, the external steps were in poor condition. Internally there was damage to the kitchen ceiling following a leak from above, one of the radiators was rusty and there was some blown plaster.
9. The tenant referred to several comparables of social rented property nearby.
10. The landlord's representative stated that a previous landlord had refurbished the flat and claimed that the landlord had provided the white goods, carpets and curtains. Furthermore the property was in easy reach of Alexandra Park station and local amenities were within five minutes of the flat.
11. Three reports were provided: two desktop valuations at £1600 - £1800 and £1750 per month and one following an inspection at £1500 per month. A list of comparable lettings was provided, little detail was provided regarding the size and condition of the flats some of which had two bedrooms.

The law

12. 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.
13. 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 or any diminution in value due to the tenant not complying with the terms of the tenancy 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

14. In coming to my decision, I relied on the landlord's comparable evidence since social rents are not open market rents. However, I noted that the report following an inspection did not refer to any tenant's improvements which must be ignored when assessing the rent in accordance with the Act.
15. I determined that the open market rent of the property if modernised and let on the terms which usually apply to an Assured Shorthold letting would be £1500 per month I accepted the tenant's statement that she had carried out the improvements claimed. Indeed the previous Tribunal had accepted that the previous landlord had not carried out a full refurbishment of the property. I determined that taking into account the condition of the property and the terms of the letting but ignoring the tenant's improvements would result in an open market rent of £1050 per month.

The decision

16. The rent of £1,050 per month is effective from 22 March 2024 in accordance with the landlord's notice.

Chairman: Evelyn Flint

Dated: 19 June 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.

