Case reference : LON/oBG/MNR/2024/0070

41 Denbury House, Talwin Street,

Property : London, E₃ 3JB

Tenant : (1) Abu Syed Khan

(2) Shirin Akther

Representative : In person

Landlord : Salma Khatun

Representative : Primeland Property Limited

(agent)

Tribunal members : Judge Tueje

Mrs A Flynn MRICS

Venue : 10 Alfred Place, London WC1E 7LR

Date of hearing : 7th June 2024

Date of decision : 9th July 2024

DETERMINATION

The Tribunal's determination

Decision

The Tribunal determines that the market rent for the subject property is £1,880.00 per calendar month, with effect from 20th February 2024.

Background

- 1. By a notice from the landlord's agent dated 10th January 2024, the landlord sought an increase in rent under section 13 of the Housing Act 1988. The landlord proposed that the rent should increase from £1,858.00
 - to £2,100 per calendar month, with effect from 20th February 2024.
- 2. By an application received on 13th February 2023, the Applicants sought a determination of the rent payable under their tenancy.
- 3. The Tribunal's jurisdiction is to set a market rent for the property taking into consideration the terms of the tenancy, the condition of the property, its location and the market rent for similar properties in the locality.
- 4. The tenants occupied the property under the terms of a 12-month fixed term tenancy agreement commencing 20th December 2022, which has since expired. They now occupy the property as statutory periodic tenants.

The inspection

- 5. The Tribunal inspected the property on 7th June 2024. We found it to be situated within a purpose-built block. The property itself is on the third floor of the block and comprises two bedrooms, a kitchen, living room, a bathroom without a toilet, and a separate toilet.
- 6. The Tribunal noted from its internal inspection that the bathroom and toilet are unmodernised, the kitchen is dated and has surface pipes and trunking. The kitchen's white goods and curtains within the property belong to the tenant.

The law and the Tribunal's valuation

- 7. Sections 13 and 14 of the Housing Act 1988 ("the 1988 Act") make provision for the increase of rent under an assured periodic tenancy.
- 8. Under section 14 of the 1988 Act, the Tribunal must determine the rent that would be obtained in respect of the same property on a new letting on the open market by a willing landlord under an assured tenancy, on otherwise similar terms (other than rent) to the existing tenancy. The rent so determined must, however, disregard the effect on the rent of the granting of the tenancy to a sitting tenant; any increase in the value of the property as a result of improvements carried out by the tenant during the tenancy (or a previous tenancy), otherwise than as a result of his or her obligations to the landlord under the lease; or any reduction attributable to a failure to comply with such an obligation.

- 9. In coming to its decision, the Tribunal considered its observations of the property at the inspection.
- 10. The Tribunal first assessed the market price that would be achieved for a new letting in a condition that would be expected of the property if it were to be marketed now. The Tribunal considered comparable properties, namely two bedroom flats. Based on reasonably comparable properties, these show £2,350.00 to be the starting point.
- 11. Accordingly, the Tribunal finds that, if the property were in the condition to be expected of a current market letting, that the rent would be in the region of £2,350.00.
- 12. However, the property must be valued on the basis that a tenant would seek a reduction from that asking rent to reflect the unmodernised condition of the property. The reduction is not measured in monetary value, but reflects the percentage reduction that would be needed to let the property as it is today.
- 13. Based on the Tribunal's knowledge and experience, we conclude a tenant would seek a reduction of at least 20% of the market value to take account of all of these matters.

Conclusion

14. The Tribunal determines the market rent for the subject property, taking into account paragraphs 5 to 13 above, is £1,880.00 per calendar month. The Tribunal's decision takes effect from 20th February 2024, being the date in the notice proposing a new rent.

Name: Judge Tueje Date: 9th July 2024

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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 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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).