



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER

(RESIDENTIAL PROPERTY)

Case Reference : CAM/22UF/MNR/2023/0110

Property : 24 Romans Road, Chelmsford
Essex, CM2 0HA

Applicant : Mr Roger William Absolom

Representative : none

Respondent : West Ella Holdings Ltd

Representative : None

Date of Application : 27 July 2023

Type of Application : Determination of the Market Rent
Under section 14 Housing Act 1988

Tribunal : Mr A. Walder
Ms S. Redmond

Date and Venue of Determination : 10 January 2024 remote hearing on
the papers

DECISION

The market rent as at 4 September 2023 is £205 per week.

This has been a remote hearing which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote hearing. The documents that the Tribunal were referred to are in a bundle, the contents of which have been noted. The order made is described below.

Background

1. On 9 August 2023, the tenant referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1998.
2. The Landlord's notice, which was dated 1 August 2023 proposed a rent of £216 per week with effect from 4 September 2023 in place of the existing £200 per week.
3. The tenant succeeded to his tenancy in February 1996.
4. Directions were issued by the tribunal on 15 September 2023.
5. The Parties did not object to the matter being dealt with on the papers following an inspection by the tribunal. Written representations were received from both the Landlord and the Tenant, and they have been fully considered.

The Inspection

6. The Tribunal did not inspect the property and locality.
7. The Tenant, through his niece, provided evidence as to the current state of the Property. Furthermore, the Landlord made an application to increase the rent in the last calendar year, which was heard under case number CAM/22UF/MNR/2022/0064.
8. At that time, the Property was inspected. The Tribunal note from that previous inspection that

"7. Roman Road is a residential road with permit parking situated in the Old Moulsham area of Chelmsford which is within walking distance of the town centre. Local shops and restaurants are within a few minutes walk.

8. The accommodation comprises two small living rooms and kitchen on the ground floor and one double and one single bedroom and a bathroom/wc on the first floor. There were damp marks on the flank wall where the skirting is rotten and coming away from the plaster. Heating is provided via dated night storage heaters in the living rooms, hall and landing, the bedrooms are unheated. The windows are replacement upvc double glazed units. The kitchen is cramped the only storage other than in the base unit below the sink, is in a ventilated pantry, the water pipes are surface mounted. The wall plaster is in poor condition in several areas of the kitchen and bathroom. The bathroom is dated with non-matching sanitary ware. The ceiling in the front bedroom has been patched, there has been no making good where the decorations were damaged due to water ingress prior to the roof being replaced.

9. There is a small rear garden which can be accessed via the kitchen or the shared corridor between the subject property and next door.

10. The curtains, carpets and white goods are the tenant's."

9. It appears that no improvements have been undertaken by the Landlord since that last inspection. Certainly, the submissions made on behalf of the Landlord, which seek to apply a percentage reduction as a result of the "inferior internal condition", suggest a similar percentage reduction should be applied. The Tribunal will comment on that methodology further below, but certainly it is indicative of an admission by the Landlord that the same "inferior internal condition" still exists.

10. Further still, the Tenant has sent pictures of the internal aspect of the property, which clearly show the décor is in a poor condition.

The Law

11. In accordance with the terms of section 14 Housing Act 1988, the Tribunal proceeded to determine the rent at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.

12. In doing so, the Tribunal, 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 the Act.

Valuation

13. The Landlord has sent marketing information for some 3 properties in an effort to show the market rent.
14. It is not possible to take a great deal from these suggested comparables because no agreements have been seen, showing the actual rent accepted by the ingoing tenants. There is no material describing the asking price, nor any details of the amenities available. In any event, they all appear to be fully modernised and newly refurbished, which is not comparable to the subject property.
15. The Tribunal note that the subject property is in a poor state of repair and condition, and has partial and ineffective central heating.
16. In all the circumstances, and having consideration of the comparable evidence proved by the parties and of our own expert, general knowledge of rental values in the area, we consider that the open market rent for the property in its current condition would be in the region of £205 per week.
17. The Tribunal also note that the basis of the exercise is to consider the rent that the subject property might expect to be let. It is an artificial exercise to look at different properties with different features and facilities, and then attempt to offer discounts to compensate for those different features. The methodology suggested by the Landlord is therefore flawed.

The Decision

18. The Tribunal determines the open market rent value of the house is £205 per week effective from 4 September 2023 in accordance with the landlord's notice.
19. There is no formal application for a deferment on the basis of hardship, and as such the new rent will start in accordance with the Landlord's Notice.

Chairman: Aaron Walder

Dated: 10 January 2024

ANNEX - RIGHTS OF APPEAL 4

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.

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.

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; 5

(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.