

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	CHI/24UJ/MNR/2024/0155
Property	:	36 Sunset Road Totton Southampton Hampshire SO40 3LB
Applicant Tenant	:	Mr O T Davies
Representative	:	None
Respondent Landlord	:	C & H Berger
Representative	:	None
Type of Application	:	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal Members	:	Mr I R Perry FRICS Ms C D Barton MRICS Mr S J Hodges FRICS
Date of Inspection	:	None. Paper determination
Date of Decision	:	31 st July 2024

DECISION

Summary of Decision

1. On 31st July 2024 the Tribunal determined a market rent of £143 per week to take effect from 26th July 2024.

Background

- 2. The case concerned the determination of a market rent for the subject property following a referral of the Landlords' notice of increase of rent by the Tenant pursuant to sections 13 and 14 Housing Act 1988.
- 3. On 19th June 2024 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £225 per week, in place of the existing rent of £110 per week, to take effect from 26th July 2024. The notice complied with the legal requirements.
- 4. On 20th June 2024 the Tenant applied to the Tribunal under Section 13(4) (a) of the Housing Act 1988.
- 5. The Tribunal does not routinely consider it necessary and proportionate in cases of this nature to undertake inspections or hold Tribunal hearings unless either are specifically requested by either party or a particular point arises which merits such an inspection and/or hearing.
- 6. The Tribunal issued Directions on 10th July 2024 informing the parties that, unless either party objected, the Tribunal intended to determine the rent based on written representations. The parties were invited to make submissions which could include photographs or videos.
- 7. Both parties submitted papers by the specified dates setting out their respective cases. The papers were also copied to the other party.
- 8. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 31st July 2024 based on the written representations received.
- 9. These reasons address **in summary form** the key issues raised by the parties. They do not recite each and every point referred to either in submissions or during any hearing. However, this does not imply that any points raised, or documents not specifically mentioned were disregarded. If a point or document was referred to in the evidence or submissions that was relevant to a specific issue, then it was considered by the Tribunal. The Tribunal concentrates on those issues which, in its opinion, are fundamental to the application.

The Law

S14 Determination of Rent by First-tier Tribunal

 Where, under subsection (4) (a) of section 13 above, a tenant refers to a First-tier Tribunal a notice under subsection (2) of that section, the Tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the Tribunal 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, in respect of council tax 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.

The Property

- 10. From the information given in the papers and available on the internet, the property comprises a semi-detached house of brick or block construction and part rendered elevations beneath a tiled roof. The property appears to have been built between the two world wars.
- 11. The accommodation comprises a Living Room, Kitchen, Bathroom and Toilet on the ground floor, and 3 Bedrooms on the first floor.
- 12. Outside there are modest gardens to front and rear and off-road parking.
- 13. In their submission the Landlords state that the property has no central heating or double glazing, nor do they know the condition of the property or the age and condition of bathroom and kitchen fittings. The Landlords also say that no white goods are provided.
- 14. The Landlords refer to 54 Sunset Road which was let "last year" for £1,400 per month and a bungalow in Water Lane let for £1,600 per month.
- 15. The Tenant provided the Tribunal with a number of photographs which show the property to be in generally poor condition, and very cluttered with possessions. He also states that the adjoining property is rented at \pounds 1,135 per month
- 16. The Landlord states that carpets and curtains are included but the Tenant says they are not. In either case the photographs show them to be in poor condition.
- 17. Mr Davies became a statutory tenant by succession to his parents who lived at the property from the early 1960's, and possibly longer.
- 18. Mr Davies states that he has carried out various improvements and repairs over many years including new kitchen units in 1997, replacing the bathroom window, installing a wood burner with fire surround, fitting a shower, replacing floorboards, and replacing the WC and cistern.
- 19. Mr Davies says he is not against a rent increase in principle but the property lacks many standard features normally found in a house.

Consideration and Valuation

- 20. The Tribunal first considered whether it felt able to reasonably and fairly decide this case based on the papers submitted only with no oral hearing. Having read and considered the papers it decided that it could do so.
- 21. The Tribunal is required to determine the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord

under an assured tenancy. Such a letting would normally include carpets, curtains, cooker, fridge and washing machine. Market rents are normally expressed as a figure per month.

- 22. The personal circumstances of the Parties are not relevant to this issue.
- 23. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in and around Southampton, the Tribunal decided that the market rent for the subject property if let today in a condition that was usual for such an open market letting would be £1,300 per month.
- 24. However, the Tribunal found this property to be in very poor condition and lacking many features that would command a full rent and therefore made the following deductions.

Tenant's provision of white goods	£30
Poor condition of carpets and curtains	£50
Dated kitchen and bathroom	£200
Lack of central heating	£200
General disrepair and poor insulation	£200
TOTAL per month	

Determination

- 25. The Tribunal therefore decided that the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under the terms of this assured tenancy was $\pounds 620$ per month which equates to $\pounds 143.07$ per week, rounded to $\pounds 143$ per week.
- 26. The Tenant made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenant undue hardship.
- 27. The Tribunal directed that the new rent of £143 per week should take effect from 26th July 2024 this being the date specified in the notice.

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 to the First-tier Tribunal at the Regional office which has been dealing with the case. Where possible you should send your application for permission to appeal by email to <u>rpsouthern@justice.gov.uk</u> as this will enable the First-tier Tribunal Regional office to deal with it more efficiently.

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- 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.