

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CHI/43UC/MNR/2024/0140

Property : 47 Gainsborough Road, Epsom, Surrey,

KT19 9DG

Applicant : Mr Alan Derbyshire

Representative : None

Respondent : Mr Jospeh S Muscat

Representative : None

Type of application : Section 13(4) Housing Act 1988

Mr D Jagger MRICS

Tribunal members : Mr K Ridgeway MRICS

Venue : Paper determination with Inspection

Date of decision : 2nd August 2024

DECISION

Decision of the tribunal

(1) The Tribunal determines that the rent that the property in its current condition as at the 18th December 2023 might reasonably be expected to achieve in the open market under an assured periodic tenancy is £1,700 per month

Background

- 1. The tenant has lived in the property as assured periodic tenant since 19th March 1980 subject to a monthly tenancy agreement and this matter is referred to later in this decision.
- 2. On the 20th May 2024 the Landlord served a notice pursuant to section 13(2) of the Housing Act 1988 seeking to increase the rent from £780 per month to £1,800 per month, being an increase of £1,020 effective from 30th June 2024. A rent of £760 per month was set by the Tribunal on the 21st November 2013 and the parties agreed a rent of £780 by negotiation.
- 3. By an application dated 28th May 2024, the tenant referred that Notice to the Tribunal for a determination of the market rent.
- 4. The Tribunal issued Directions on the 28th June 2024 setting out the conduct of the matter. Initially, the Tribunal had concerns in connection with jurisdiction of the application as the Landlord's notice proposing the new rent may be defective. Following correspondence from Ellen Derbyshire, the Tribunal were satisfied that the tenancy expressly provides that the monthly rent is payable "on the last day of each calendar month"
- 5. The Tribunal considered the matter suitable for a determination on the papers and therefore a hearing was not necessary. The parties did not disagree with this arrangement.

The Evidence

6. The Tribunal has before it a bundle of evidence which includes a background to the case and the Directions. The Landlord and Tenant completed the Rent Appeal Statements which included photographs a schedule of recent refurbishment items and the associated costs which it is claimed totaled £47,000. Such works included a new kitchen and bathroom together with internal and external refurbishment. The Landlord submitted a single comparable being a three bedroom semi detached house in Barham Road which let at £1850 per month.

Inspection

- 7. The Tribunal inspected the property on the 2nd August in the presence of the Tenant, Mr Derbyshire. The property is a two storey end of terrace house with rendered elevations under a pitched and tiled roof evidently built during the 1960s and previously owned by Kington and Richmond Health Authority. The property is located in an established residential area, close to local amenities.
- 8. The accommodation comprises: 3 bedrooms, living room, kitchen, cloakroom, bathroom and small paved rear garden. There is gas central heating and double glazed windows. It is stated by the Tenant carpets, curtains and white goods with the exception of an oven were provided by the Tenant at the commencement of the tenancy. As previously mentioned, the landlord has undertaken significant refurbishment works to the property approximately 12 months ago at a stated cost of approximately £47,000.

The Law

9. The rules governing a determination are set out in section 14 of the Housing Act 1988. In particular, the Tribunal is to determine the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy, subject to disregards in relation to the nature of the tenancy (i.e. it being granted to a "sitting tenant") and any increase or reduction in the value due to the tenant's improvements or failure to comply with the terms of the tenancy. In the absence of any evidence to the contrary, the Tribunal has proceeded on the basis that the landlord is responsible for repairs to the structure, exterior and any installations pursuant to section 11 of the Landlord and Tenant Act 1985 and the tenant for interior decoration.

The Valuation

- 10. Having carefully considered all the evidence from the Landlord and the Tenant the Tribunal considers that an achievable rent for the property in a good marketable condition with reasonably modern kitchen and bathroom fittings, modern services with carpets curtains and white goods provided by the Landlord would be £1,800 per month. This figure is based upon the comparable evidence provided by the Landlord and the Tribunal's professional judgement and experience.
- The Tribunal has considered carefully the party's submissions and using its own expertise, we consider a deduction of **£100** per month should be applied to take into account no white goods other than an oven, carpets curtains provided by the Tenant. This reduces the rental figure to

£1,700 per month. It should be noted that this figure cannot be a simple arithmetical calculation and is not based on capital costs but is the Tribunal's estimate of the amount by which the rent would need to be reduced to attract a tenant.

- The average rent for rental properties in the Epsom area has increased every quarter since the end of 2020, according to the online property portal Rightmove. The rent increases are due to not enough properties coming to the market to meet demand and the number of homes for rent is 46 per cent below 2020 levels. This puts this decision in context with the current rental market.
- 13. The Tribunal has been provided with a copy of any tenancy agreement, which incorporates the usual repair obligations.
- 14. The Tribunal received no evidence of hardship from the tenant and, therefore, the rent determined by the tribunal is to take effect from **30**th **June 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).