

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

DECISION							
Date of Decision	:	21 st October 2024					
Tribunal Members	:	Judge JR Morris Miss M Krisko BSc (Est Man), BA, FRICS					
Type of Application	:	Determination of a market rent under Section 13 of the Housing Act 1988					
Respondent (Landlord):		West Ella Holdings Ltd (Mr Simon Blade					
Applicant (Tenant) Representative	:	Mr Roger William Absolom Ms Jacqueline Knight (Tenant's Niece)					
Property	:	24 Roman Road, Chelmsford CM2 oHA					
Case Reference	:	CAM/22UF/MNR/2024/0139					

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DECISION

1. The Tribunal determined a market rent for the Property of £210.00 per week to take effect from 21st October 2024.

REASONS

THE PROPERTY

2. The Tribunal did not inspect the Property and the following description is compiled from the written submission of the parties, photographs, the internet, and the description provided in Case number: CAM/22UF/MNR/2022/0064 determined on 5th September 2022 when an inspection was carried out.

The Property is a two-storey mid terraced house, probably late Victorian, of brick construction, with 9-inch solid walls considering its likely age, under a pitched slate roof. The windows are upvc with double glazed units. The doors and rainwater goods are also upvc. There is a small garden to the rear, access to which is via the kitchen or the shared passageway between the Property and the neighbouring house.

Accommodation

The Property comprises a hall with stairs to the first floor, a front living room (11ft x 10ft) a rear living room (11ft x 10ft) and a kitchen (8ft x 8ft) off which is small pantry on the ground floor. On the first floor there is a landing off which is a front double bedroom (14ft x 12 ft) a rear single bedroom (11ft x 8 ft) and a bathroom with bath, wash hand basin and w.c.

Services

Space heating is by night storage heaters in the living rooms, hall, and landing. Water heating is by an electric heater. The Property has mains electricity, water, and drainage.

Furnishing

The Property is let unfurnished. The curtains, floorcoverings and white goods are provided by the Tenant.

Location

The Property is situated in the Old Moulsham area of Chelmsford on a residential road with permit parking within walking distance of the town centre. Local shops and restaurants are within a few minutes' walk.

THE TENANCY

3. The Tenancy was first taken by the Tenant's parents in 1936 and passed to the Tenant on the death of his father in February 1996 when it became a Statutory Assured Weekly Periodic Tenancy. Section 11 of the Landlord and Tenant Act 1985 applies in respect of the Landlord's repairing obligations. Internal decoration is the Tenant's obligation.

THE REFERRAL

- 4. The current rent is £205.00 per week effective from 4th September 2023. By a notice in the prescribed form dated 13th August 2024 the Landlord proposed a new rent of £220.00 per week from 30th September 2024.
- 5. On 21st August 2024 the Tenant referred the notice proposing a new rent to the Tribunal. Directions were issued on 22nd August 2024 informing the parties that the Tribunal did not intend to hold an oral hearing unless a request was made by 19th September 2024. Neither party made a request for a hearing.

THE LAW

6. The relevant law is in section 14 of the Housing Act 1988 which is set out at Appendix 2.

REPRESENTATIONS

7. The Parties made written representations on the Reply Form attached to the Directions as requested and these are summarised below and commented upon in the Tribunal's Determination.

Tenant's Representations

8. The Tenant made the following statement regarding the condition of the Property with the assistance of his Representative:

<u>Hall</u> - The skirting board is coming away from the wall as is the wallpaper and there is mould due to damp.

<u>Front Living room</u> – the wallpaper has peeled away from the front wall due to damp, and there is a crack under the window running down to the floor.

<u>Kitchen</u> – The kitchen sink was fitted by the landlord, all other goods belong to the Tenant. The kitchen is very small and is not fitted. There is no plumbing for a washing machine. The walls are damp and showing mould resulting in an unpleasant smell. The plaster is bubbling from the wall and the tiles behind the sink have fallen off the wall due to damp. Plaster has fallen off the walls in the kitchen due to the damp and the Tenant has repaired this himself so he could continue to use the kitchen.

<u>Pantry</u> - The tenant decorated the small pantry off the kitchen. He cleaned the walls of rotting plaster, treated them to kill the mould, filled in the holes and repainted. This was necessary to stop the smell coming from the pantry.

<u>Front Bedroom</u> - There is damp on the wall. The ceiling is stained due to a leak in the roof which has been repaired but the ceiling has not been made good. There is no heating in this room.

<u>Rear Bedroom</u> - There is no heating in this room.

<u>Bathroom</u> - There is no shower. The fittings are not matching. The toilet is white, the bath and washbasin, which were installed in the 1970s, are green. A water heater and toilet were fitted by the Landlord. The walls all around the bathroom have numerous damp patches. There is a crack between the wall and airing cupboard.

<u>Passageway</u> - There are large holes in the passageway between 24 and 25 leading to the rear of the Property which the Tenant has had to fill in order to bring the wheelie bin safely to the front of the Property for waste collection.

- 9. The Tenant submitted that the increase to the rent was not reasonable considering the condition of the Property which it was said was well below the standard that might be expected. There is no central heating and no heating in the bedrooms. It was said that it is impossible to maintain any internal decoration due to the damp and mould. Wallpaper peels off, paint will not adhere and plaster comes away from the walls.
- 10. The Tenant stated that on 7th May 2024 the Tenant sent photographs to the Landlord who replied that the work did not look urgent, but that the Landlord would be visiting properties in the next few months and would make an appointment to visit the Tenant but nothing has been heard since.
- 11. The Tenant referred to the previous tribunal's findings on 5th September 2022

which stated:

"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."

The Landlord then referred to several properties which attracted a higher rent. The tribunal found that:

"However, the subject property is not in the same condition nor let on the same terms as properties let on the open market. The house would require to be repaired and refurbished if it were to be let at such a rent."

- 12. The Tenant said it was relevant to quote the previous decision because no work has been carried out since the inspection on 5th September 2022 nor had the Landlord or his representative come to inspect the Property which has continued to deteriorate.
- 13. Photographs were provided showing:
 - the damp and cracking in the Front Living Room (images 1 & 2)
 - the rotten skirting and damp in the Hall (images 3 & 4)
 - the damp in the Kitchen (images 5 to 17)
 - the basic mismatched bathroom suite, damp, and cracking around the door frame (images 18 23)
 - the damp on the wall in the Front Bedroom and the stained ceiling from the repaired leak (image 24)

Landlord's Representations

14. The Landlord submitted rental values for five properties which were said to be comparable. All the properties have two bedrooms. It was said that they were close to Roman Road in Chelmsford and achieved the asking rent in August 2024. The properties are:

8 Orchard Street rent £1,400.00 per calendar month £323.00 per week 20 Goldlay Road rent £1,600.00 per calendar month £369.00 per week 18 Wolseley Road rent £1,460.00 per calendar month £337.00 per week 12 Vicarage Road rent £1,400.00 per calendar month £323.00 per week 8 Queen Street rent £1,250.00 per calendar month £288.00 per week

15. The Landlord said that the mean average of the rental values was reasonable at \pounds 1,422.00 per calendar month. The Landlord submitted that the maximum that should be deducted from this rent should be 30% for the difference in the condition of the properties referred to and the Property. The Landlord did not contradict any of the representations as to condition that were submitted by the Tenant.

16. The Tenant commented on 8 Orchard Street, 18 Wolseley Road and 12 Vicarage Road. He said that they bore no resemblance to the Property as they were fully modernised with fitted kitchens modern bathrooms and central heating. Also, Orchard Street was semidetached and Wolseley Road is an end of terrace.

VALUATION

- 17. The Tribunal determines a market rent for a property by reference to rental values generally and to the rental values for comparable properties in the locality, in particular. The Tribunal does not consider the present rent or the period for which that rent has been charged, nor does it consider the percentage increase which the proposed rent represents to the existing rent.
- 18. The Tribunal only has jurisdiction to determine the rent. The Tribunal cannot consider the personal circumstances of either a tenant or landlord. Therefore, the Tribunal cannot consider either the affordability of the rent for a particular tenant nor whether the rent reflects a rise in interest rates and its effect on an individual landlord's mortgage repayments.
- 19. The Tribunal assesses a rent based upon the condition of the Property at the time of the determination. It cannot consider the period for which a property might have been in disrepair prior to work being carried out by the Landlord. Equally it cannot consider work that is said to be intended or scheduled to take place in the future.
- 20. The Tribunal noted the properties which the Landlord submitted as being comparable and their respective rents. It added to this the knowledge and experience of its members. It found that rental values for properties in the area which are of similar age and character are in the region of £323.00 per week. Those at this rent have front gardens setting them back from the road like 12 Vicarage Road (£323.00 per week) or are semi-detached like 8 Orchard Street (£323.00 per week). Those that command a higher rent are larger and/or better appointed such as 20 Goldhay Road (£369.00 per week) or are end of terrace and have front gardens like 18 Wolseley Road (£337.00 per week). Those at a lower rent have rooms of a smaller size like 8 Queen Street (£288.00 per week). The Property falls within this latter category being a mid-terrace with its front door directly on a relatively narrow street with modest size rooms living and bed rooms and a small kitchen. If in similar good internal condition with modern kitchen and bathroom the Tribunal determined that a market rent would be £300.00 per week.
- 21. However, the Property does not have the same facilities and is not in a similar internal condition. The Property has a basic and dated kitchen with no fitted units other than a sink unit. The bathroom suite is mis-matched and there is no shower, which is now expected by tenants. The space heating is by dated night storage heaters in the living rooms, hall, and landing and there is no heating in the bedrooms. There is evidence of damp in the kitchen, pantry, hall where the skirting is rotten, front living room, front bedroom, and bathroom. 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. The lack of central heating exacerbates the dampness making decoration by the Tenant futile. Taking these matters into account the Tribunal made a deduction of £90.00 (30%) and determined a rent of £210.00 per week.

- 22. It should be noted that this figure cannot be a simple arithmetical calculation and is not based specifically upon capital cost but is the Tribunal's estimate of the amount by which the rent would have to be reduced to attract a tenant.
- 23. The Tenant requested the new rent commence on the date of determination as to back date it to 30th September 2024 would cause hardship. The Tribunal was satisfied that it would cause the Tenant undue hardship for the new rent to take effect from the beginning of the new period specified in the notice and therefore, pursuant to section 14(7), determined that the new rent shall take effect on the date of this determination, being 21st October 2024.

DECISION

24. The Tribunal determined a market rent for the Property of **£210.00 per week to** take effect from 21st October 2024.

Judge JR Morris

APPENDIX 1 - RIGHTS OF APPEAL

- 1. If a party wishes to appeal the 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.
- 2. 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.
- 3. 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.
- 4. 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 2 – THE LAW

Section 14 of Housing Act 1988

Determination of rent by tribunal.

(1) Where, under subsection (4)(a) of section 13 above, a tenant refers to the appropriate tribunal a notice under subsection (2) of that section, the appropriate tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the appropriate 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.
- 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.
- (3A)In making a determination under this section in any case where under Part I of the Local Government Finance Act 1992 the landlord or a superior landlord is liable to pay council tax in respect of a hereditament ("the relevant hereditament") of which the dwelling-house forms part, the appropriate tribunal shall have regard to the amount of council tax which, as at the date on which the notice under section 13(2) above was served, was set by the billing authority—
 - (a) for the financial year in which that notice was served, and
 - (b) for the category of dwellings within which the relevant hereditament fell on that date,
 - but any discount or other reduction affecting the amount of council tax payable shall be disregarded.
- (3B) In subsection (3A) above—

(2)

- (a) "hereditament" means a dwelling within the meaning of Part I of the Local Government Finance Act 1992,
- (b) "billing authority" has the same meaning as in that Part of that Act, and
- (c) "category of dwellings" has the same meaning as in section 30(1) and (2) of that Act.
- (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 of the dwelling-house concerned or are payable under separate agreements.

- (5) Where any rates in respect of the dwelling-house concerned are borne by the landlord or a superior landlord, the appropriate tribunal shall make their determination under this section as if the rates were not so borne.
- (6) In any case where—
 - (a) the appropriate tribunal have before them at the same time the reference of a notice under section 6(2) above relating to a tenancy (in this subsection referred to as "the section 6 reference") and the reference of a notice under section 13(2) above relating to the same tenancy (in this subsection referred to as "the section 13 reference"), and
 - (b) the date specified in the notice under section 6(2) above is not later than the first day of the new period specified in the notice under section 13(2) above, and
 - (c) the appropriate tribunal propose to hear the two references together,

the appropriate tribunal shall make a determination in relation to the section 6 reference before making their determination in relation to the section 13 reference and, accordingly, in such a case the reference in subsection(1)(c) above to the terms of the tenancy to which the notice relates shall be construed as a reference to those terms as varied by virtue of the determination made in relation to the section 6 reference.

- (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 (subject, in a case where subsection (5) above applies, to the addition of the appropriate amount in respect of rates) 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.
- (8) Nothing in this section requires the appropriate tribunal to continue with their determination of a rent for a dwelling-house if the landlord and tenant give notice in writing that they no longer require such a determination or if the tenancy has come to an end.
- (9) This section shall apply in relation to an assured shorthold tenancy as if in subsection (1) the reference to an assured tenancy were a reference to an assured shorthold tenancy.

Notice of the Tribunal Decision and Register of Rents under Assured Periodic Tenancies (Section 14 Determination)

Housing Act 1988 Section 14

Address of Premises T				Th	he Tribunal members were				
24 Roman Road, Chelmsford CM2 0HA					udge JR Morris Iiss M Krisko BSc (Est Man) BA FRICS				
Landlord	West Ella Holdings Ltd								
Address	Jenkyn Place Estate Office, Hole Lane, Bentley, Hampshire, GU10 5LU								
Tenant	Roger William Absolom								
1. The rent is: ${f \pounds}$	210.00	Per	Weekly		(excluding water rates and council tax but including any amounts in paras 3)				
2. The date the decision takes effect is:					21 st October 2024				
*3. The amount included for services is/is negligible/not applicable			es is/is		N/A	Per	N/A		
*4. Service charges are variable and are not included									
5. Date assured tenancy commenced					February 1996				
6. Length of the term or rental period				Weekly					
7. Allocation of liability for repairs					S11 Landlord and Tenant Act 1985				
8. Furniture provided by landlord or superior landlord									
None									
9. Description of premises									

A two-storey mid terraced house comprising two living rooms, a kitchen, three bedrooms and a bathroom with w.c. and a garden.

Judge

Date of Decision

21st October 2024