

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CAM/00KA/MNR/2023/0129

HMCTS code : P:PAPERREMOTE

Property: 90 Biscot Road, Luton, LU3 1AX

Applicant (Tenant) : R Malik

Respondent (Landlord) : S Hussain

**Determination of a Market Rent:** 

Type of application : Sections 13 and 14 Housing Act

1988

Tribunal members : Mr P Roberts FRICS CEnv

Date of Determination : 14 November 2024

### **DECISION**

This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper determination described above as **P:PAPERREMOTE** The documents that the Tribunal was referred to are in bundles from the Applicant and the Respondent. The Tribunal has noted the contents and the decision is below.

## **Decision**

The Tribunal determined a market rent of £1,400 per calendar month effective from 10 August 2024.

### **Reasons**

# **Background**

- 1. On 13 June 2024 the Landlord served notice under section 13 (2) of the Housing Act 1988 to increase the passing rent from £1,200 per calendar month (pcm) to £1,600 per month with effect from 10 August 2024.
- 2. This rent is stated to be exclusive of Council Tax, Water Charges and fixed service charges.
- 3. The Tenant made an application to the Tribunal in reliance on section 13 (4) of the Housing Act 1988 on 7 August 2024.
- 4. The Tribunal issued directions on 13 August 2024, inviting the Parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the tribunal to consider.

### The Property

- 5. The Tribunal have relied upon the evidence provided by the Tenant together with information in the public domain including Google Earth Pro.
- 6. The Property comprises a two-storey period mid terraced house of brick and tile construction that provides lounge and kitchen at ground floor together with three bedrooms and a bathroom at first floor level. There is a garden to the rear and on-street parking.

## The Tenancy

- 7. The Tenant occupied the Property by virtue of an Assured Shorthold Tenancy that commenced 10 June 2023 for a term of 6 months.
- 8. The rent reserved under this Tenancy was £1,200 pcm.
- 9. The Tenant's repair obligations are set out within section 3 of the Tenancy. These obligations include:

- "3.5 To keep the interior of the property including decorations, doors, windows, furniture, fixtures, fittings and effects in as food condition as at the start of the Tenancy and make good, pay for the repair of or replace all such items thereof as shall be broken, lost, damaged or destroyed (fair wear and tear and damage by accidental fore only excepted)...
- 3.19 To keep the drains, gutters and down pipes of the property clear...
- 3.40 Not to paint or decorate either the interior or exterior of the property without the prior written permission of the Landlord... "
- 10. The Tenancy does not explicitly set out the Landlord's obligations but makes reference to section 11 of the Landlord and Tenant Act 1985 "...if applicable". The provisions of section 11 are set out at paragraph 16 below.
- 11. To the extent that there is any conflict between the terms of the Tenancy and section 11 of the Landlord and Tenant Act 1985, the statutory provisions prevail.
- 12. In the absence of a new Tenancy being entered into, an Assured Periodic Tenancy pursuant to Section 5 (2) of the Housing Act 1988 (the 1988 Act) has arisen such that Sections 13 and 14 of the Act now apply.

#### The Law

- 13. Section 5 (3) of the Act provides that the periodic tenancy arising on expiry of the Assured Shorthold Tenancy is one:
  - "(a) taking effect in possession immediately on the coming to an end of the fixed term tenancy;
  - (b) deemed to have been granted by the person who was the landlord under the fixed term tenancy immediately before it came to an end to the person who was then the tenant under that tenancy;
  - (c) under which the premises which are let are the same dwelling-house as was let under the fixed term tenancy;
  - (d) under which the periods of the tenancy are the same as those for which rent was last payable under the fixed term tenancy; and
  - (e) under which, subject to the following provisions of this Part of this Act, the other terms are the same as those of the fixed term tenancy immediately before it came to an end, except that any term which makes provision for determination by the landlord or the tenant shall not have effect while the tenancy remains an assured tenancy"

- 14. Section 14 (1) of the 1988 Act provides that the Tribunal is required to determine the rent at which the Property might reasonably be expected to let in the open market by a willing landlord under an assured tenancy:
  - a. "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 rent) are the same as those of the existing tenancy."
- 15. Section 14 (2) of the 1988 Act requires the Tribunal to disregard:
  - 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 (as defined by section 14 (3) of the Act) otherwise than as an obligation;
  - 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."
- 16. Section 11 of the Landlord and Tenant Act 1985 (the 1985 Act), provides that the Tribunal is to imply a covenant by the Landlord:
  - a. "to keep in repair the structure and exterior of the dwelling-house (including drains, gutters and external pipes),
  - b. to keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity), and
  - c. to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water."
- 17. Section 14 (7) of the 1988 Act states:

"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."

## **Representations – The Tenant**

18. The Tenant has not, other than completing the Application Form, submitted any evidence or supporting documentation.

# **Representations – The Landlord**

19. The Landlord has not taken part in the proceedings and has not made any representations or provided evidence to support the rent contended for.

#### Determination

- 20. In determining the market rent, the Tribunal has regard to prevailing levels of rent in the general locality and achieved rental values in respect of other properties of comparable accommodation and provision that would be likely to be considered by a prospective tenant. The current rent, and the period that has passed since that rent was agreed or determined is not relevant.
- 21. Previous changes in rent are not, therefore, relevant as the Tribunal is required to assess the rent that would be offered by a prospective tenant who has no knowledge of the existing or previous rents.
- 22. The legislation requires the Tribunal to have regard to market demand assuming that the landlord is willing. The Tribunal is therefore unable to have any regard to the personal circumstances or identities of the actual landlord and tenant in assessing the level of rent.
- 23. In that regard, it is irrelevant whether or not the Landlord requires the rent to be at a certain level to fund its repair obligations under the lease or whether the Tenant feels that the services provided by the Landlord are "value for money". As such, the cost of property maintenance to the Landlord does not affect the rent that would be offered by a prospective tenant in the market and must be disregarded.
- 24. However, as set out above, the Tribunal is required to have regard to the obligations of the Landlord and Tenant in respect of the repair, maintenance and upkeep of the Property and take into account the extent to which these obligations have been complied with.
- 25. As set out above, section 14 (2) (c) of the 1988 Act requires the Tribunal to disregard any failure by the Tenant to comply with their lease obligations. However, the Tribunal is to have regard to matters that do not arise as a direct consequence of the Tenants' failure to comply with any of their obligations.
- 26. The Tenant has not provided any rental evidence in support of their appeal and the Landlord has not explained the basis upon which he

considers the rent contended for to be appropriate nor provided market evidence.

- 27. The Tribunal has therefore relied upon its own expertise and market knowledge.
- 28. In this context, the Tribunal determines the market rental of the Property to be £1,400 pcm. The rent payable may not, therefore, exceed this figure. However, this does not prevent the Landlord from charging a lower figure.
- 29. This rent is to be effective from **10 August 2024**.

Name: Peter Roberts FRICS CEnv Date: 14 November 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).