



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case reference : **FR/LON/00AQ/MNR/2024/0333**

Property : **Flat 9b, Aberdeen Road, Harrow, HA3
7NF**

Tenants : **Sachin B Vora and Vrushali S Vora**

Landlord : **Lindanna Property Investments Limited**

Date of application : **24 June 2024**

Type of application : **Application for determination of market
rent following a Notice of Increase
served pursuant to Section 13 of the
Housing Act 1988.**

**Tribunal
member(s)** : **Mr O Dowty MRICS
Mr C Piarroux**

Venue : **10 Alfred Place, London, WC1E 7LR**

Date of decision : **28 October 2024**

REASONS FOR DECISION

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Background

1. The tenants live at the property under a monthly contractual periodic tenancy, that began as an initial 6 month fixed term tenancy on 26 April 2023.
2. The landlord served on the tenants a Notice of Increase, dated 29 April 2024, proposing to increase the rent at the property from £1,200 per month to £1,680 per month with effect from 26 June 2024.
3. On 24 June 2024 the Tribunal received an application from the tenants, dated that day, referring the landlord's Notice of Increase to the tribunal, challenging the increase and seeking a determination of the market rent.
4. The Tribunal issued Directions on 1 August 2024, which invited the parties to provide a reply form and make any other submissions they wished to make. Both parties provided reply forms and further submissions.
5. The tenants indicated, in their reply form, that they wished the Tribunal to both hold a hearing and inspect the property. A face-to-face hearing and inspection were therefore arranged for 28 October 2024.

The Hearing

6. We held a face-to-face hearing in this matter on 28 October 2024. Mr Vora (one of the joint tenants) appeared in person, as did Mr Foti, a director of the landlord company.
7. The hearing was a cordial affair. Mr Vora spoke to the condition of the property, and the issues he had experienced at it. There were issues, he said, with the floors, and multiple leaks at the property – which suffered from a lot of 'wear and tear' generally. The landlord, the tenant averred, had since carried out some roof repair works, but this was in October (which is after the proposed date of increase specified in the landlord's notice) – as at the rent increase date of 26 June 2024, they were having problems with the boiler. It had leaked in April 2024, and whilst works had been carried out the boiler hadn't been connected to the thermostat – and so it required manually turning on and off (meaning in practice someone had to wake up to turn it on and off in the night).
8. In addition, Mr Vora spoke to the parking situation, or rather lack of it, at the property. There was no space to park a car at the property, and it was agreed between the parties that the tenant was not able to secure a permit to park a car on the street from the council either – apparently due to a condition placed on the property when it was converted into the current flats present. This had clearly caused

issues for the tenant, who in fact uses his car for work, and he spoke to them.

9. The landlord did not dispute what the tenant had said, other than as concerns the value which we will discuss later in this decision. The landlord averred that the tenants had been good ones, and that he was increasing the rent as interest rates had gone up. The increase was large now because the landlord had not been increasing it regularly, and in hindsight – the landlord averred – that was an error.
10. The landlord acknowledged that there were disrepairs, and things that needed changing and updating. Once the leaks had been resolved, this would be done.
11. The parties helpfully summarised that the property had originally been fully furnished when let, but the tenants had replaced items of furniture in the usual way. The landlord had provided the white goods, floor coverings, carpets and curtains at the property.

The Inspection

12. We inspected the property after the hearing, on the same day as it. We were accompanied by Mr Vora and his wife Ms Vora as well as their young son. The landlord had told us at the end of the hearing that he didn't wish to attend the inspection, provided that was not discourteous, and that he was happy for it to go ahead in his absence.
13. The property is a two bed flat located over the first floor and the loft area (which has been converted into an area containing a bedroom and a small bathroom) of a period, mid-terrace property on Aberdeen Road in Harrow.
14. The exterior of the building is in poor condition decoratively, with paint flaking from the masonry. The subject property itself is accessed via a narrow corridor which is shared with the downstairs flat, and is the result of a modern conversion of the property. The entrance way is shabby decoratively. The subject property's door is located on the ground floor, leading to a staircase up to the flat proper. On the first floor level, there is a rear bedroom, a bathroom, a kitchen and a living room; in addition to the bedroom and small bathroom on the upper, loft level.
15. The subject property has a number of defects. The floors in various rooms throughout the property, including both bathrooms and the living room, have spots which 'give' under body weight. There is clear evidence of water ingress damage to the ceilings of the kitchen and both bathrooms, and there is evidence of water damage in the rear bedroom caused by a leak from the boiler – which is located, in the open, in the bedroom itself. Internally, the property is in a very poor decorative condition throughout – with dated wallpaper and carpets,

damaged flooring in parts and a number of cracks to the plasterwork at various points in the property.

16. The kitchen is basic, and the units are partially damaged. On looking out of the kitchen window, one can see that the paintwork of both of the external cills for the kitchen and first floor bathroom window are in poor condition. The rear garden of the building is solely in the use of the downstairs flat, and there is no outside space for the subject property other than the small front yard which is shared with the other flat (which is not suitable for use as a parking space).

The law

17. The way in which the Tribunal is to determine a market rent in this circumstance is set out in Section 14 of the Housing Act 1988 ('The Act'). That section is too lengthy to quote in entirety in these reasons. In brief, 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 carrying out improvements which they were not obliged to carry out by the lease or their failure to comply with the terms of the tenancy. Of particular worth in quoting are subsections 1, 2 & 7:

(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.

(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.

...

(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.

Valuation

18. In the first instance we determined what rent the landlord could reasonably be expected to obtain for the property in the open market if it were let on the proposed increase date in the condition and on the terms that are considered usual for such an open market letting.
19. The tenants provided details of 8 asking rents in their written submissions. Asking rents carry very low weight as evidence, and particularly in cases such as this where they show a wide range of values (£1,350pcm to £1,650pcm) having been selected merely on the basis, it appears, that they share the same council tax band as the subject property. In addition, the details provided concerning each property referred to are sparse, and don't offer us enough to meaningfully compare them with the subject property (although, a number of them appear, even from the limited information provided, to be from incomparable properties).
20. In any case, at the hearing, the tenant did not speak particularly to the asking rents they had provided, and instead offered that the best evidence of value was the rent the tenants were paying at the property, as they averred that there would be no real market for the property due to its condition and the lack of parking. The occupant of the house, it was an accepted fact between the parties, was unable to obtain a parking permit from the council, apparently as the result of

some form of condition when the building was converted into the present flats.

21. We thought that the tenant's argument was a stretch too far, and that there would be at least some market for the property (which the tenant seemed to acknowledge), but it is certainly true that the property is in a much worse state than would be expected in the market – and the complete lack of parking is a serious issue.
22. In response to our asking, the tenant submitted that the property might be worth between £1,500 and £1,600pcm in a good condition; and that all of the properties provided by the landlord's letting agent had a garden, communal garden or a parking space.
23. The landlord provided a "market appraisal" dated 3 September 2024 from a local letting agent, Albert Grace, which offered an "Estimated Asking Price £1,700pcm (depends on over all condition and presentation of the property)". That report provided reference to some, apparently, asking rents on other properties – which again showed a wide range of values, in this case from £1,350pcm to £1,800pcm. In addition, the landlord provided an email from Daniel Jed at Brian Cox, another local letting agent, who provided – in a brief email on 12 July 2024 – a range between £1,500 - £1,650pcm for the property.
24. At the hearing, the landlord sought principally to rely on the Albert Grace appraisal, and in fairness to him advanced very reasonably, when we queried the standing of the documents from the letting agents, that he accepted that they were not proper valuation reports – but the landlord didn't have sufficient market knowledge in the area himself and thought it would be better to ask a local letting agent to advise him. This is a reasonable approach, but one that holds very little evidential value, particularly when the estimated asking price in the Albert Grace appraisal is outside the range included in the Brian Cox email, and appears to be dependant on the condition of the subject property. Neither agent, it was clarified at the hearing by the tenant (and accepted by the landlord in light of that clarification), had inspected the subject property internally.
25. For the reasons given above, we did not feel that any of the valuation evidence advanced by the parties was of particular assistance in the valuation of the property. Accordingly, we considered the value of the property both in the light of the submissions of the parties and our own expert knowledge of general rental levels in the area.
26. The landlord proposed a value of £1,680 per calendar month for the property in their notice of increase, to take effect from 26 June 2024. We considered that £1,680pcm would have been an appropriate value for the property as at 26 June 2024 were it let with the furniture provided by the landlord on the terms and in the condition

considered usual in the market, **and with access to on-street parking.**

27. Usually, the Tribunal would then make a subjective judgement as to the quantum of any deduction(s) to make to account for the actual condition and lease terms of the property, and in this case its lack of access to any parking whatsoever. However, in this case the Tribunal is assisted further by the rent currently passing of £1,200pcm.
28. The rental value of any asset is ultimately a reflection, subject to definitions and other caveats, of what a willing lessor might be paid in rent for it by a willing lessee. In this case, the tenants have occupied the property for a number of years, apparently willingly, presently paying a rent of £1,200pcm – and they have in fact submitted that this is the best evidence of value for the property. Accordingly, this is strong evidence that the value of the property is not, and was not at the proposed date of increase, less than £1,200pcm.
29. That being said, we do not believe, in its present condition, that the property might be worth more than the rent passing either. £1,200pcm represents a deduction of just under 30% (28.6%) from the hypothetical market rent ‘starting point’ of £1,680pcm. We consider that a deduction of 10% should be made to account for the lack of any parking at the property, which would leave a deduction of 18.6% to account for the condition of the property, which includes several leaks, which have clearly been there for a number of years, the boiler being located in a bedroom, some floors giving way at points, the shared entrance way and the very poor decorative condition both internally and externally. We consider that an adjustment of 18.6% would sit at the lower end of a reasonable range for what we would consider an appropriate deduction to account for those issues.
30. Accordingly, it appeared to the Tribunal that the existing rent passing sat at the top end of a reasonable range of market rental values for the property. The Tribunal therefore determines that the market rent of the property, as at the proposed date of increase, is £1,200 per calendar month.
31. We note for completeness that the tenants had made a point about commissions charged by letting agents, and their belief that it should be taken into account in our determination that the landlord does not have to pay one in this instance. However, the tenants’ point about commission was predicated on them being a sitting tenant – which is to be disregarded in accordance with the provisions of Section 14(2) of The Act. When we put this to the tenant at the hearing, they said that the profit should be shared equally, but that isn’t what the law says. Accordingly, we had no regard to the tenants’ point concerning commissions in determining the market rent.

Effective Date

32. As set out in Section 14(7) of the Housing Act 1988, the effective date of a Tribunal determination under that section is the rent increase date that was provided in the landlord's Notice of Increase – unless it appears to the Tribunal that this would cause the tenant undue hardship. In those circumstances, the Tribunal may adopt a later effective date for its determination, being not later than the date on which the determination is made.
33. The tenants submitted that they would experience hardship were the rent to be backdated, as they are in receipt of universal credit and wouldn't be able to backdate the rent increase. The tenants had not provided any documents as they averred they had not been asked to. The landlord said that this was a matter he left in the hands of the Tribunal.
34. The submissions of the parties were, obviously, made without knowledge of our decision. As our decision does not result in an increase to the rent payable at the property, the tenants would not experience hardship from our decision taking effect from the date proposed in the landlord's notice, 26 June 2024. Accordingly, we determine that it shall take effect from that date.

Decision

35. Pursuant to the considerations above, the Tribunal determined a rent of £1,200 per month in this matter, such rent to take effect from 26 June 2024.

Valuer Chairman: Mr Oliver Dowty MRICS
Dated: 28 November 2024

ANNEX - 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 should be made on Form RP PTA available at <https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>

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. **Please note that if you are seeking permission to appeal against a decision made by the Tribunal under the Rent Act 1977, the Housing Act 1988 or the Local Government and Housing Act 1989, this can only be on a point of law.**

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).