



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

Case Reference : **LON/00AC/MNR/2024/0358**

Property : **17b Market Place, Falloden Way,
London NW11 6JY**

Tenant : **Mr Richard Taylor**

Landlord : **Rovergrange Limited**

Date of Objection : **27 June 2024**

Type of Application : **Determination of a Market Rent
Sections 13 & 14 of the Housing Act
1988**

Tribunal : **Mrs S Phillips MRICS Valuer Chair
Mrs A Flynn MRICS Valuer Member**

Date of Reasons : **27 January 2025**

DECISION

**The Tribunal determines a rent of £1,500 per month with effect
from 1 July 2024.**

FULL REASONS

Background

1. By an application dated 27 June 2024, Mr Richard Taylor, the tenant of 17b Market Place, Falloden Way, London NW11 6JY (the subject property) referred to the First-tier Tribunal (the Tribunal) a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988 (the 1988 Act).
2. The Landlord, Rovergrange Limited, served a notice proposing an increase in the rent. The notice proposed an increase in the rent from £1,400 per month to £1,900 per month. The notice was dated 21 May 2024 and proposed a starting date for the new rent of 1 July 2024.
3. The Tribunal issued Directions on 5 November 2024 instructing the parties to provide all relevant information and submissions they wished to make in this application.
4. Following receipt of the reply form from the Tenant, a request for an inspection of the property was made and subsequently arranged for 27 January 2025.

The Law

5. In accordance with the terms of section 14 of the 1988 Act, the Tribunal proceeded to determine the rent at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.
6. In so doing the Tribunal, as required by section 14(2), ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in sections 14(2) and (3) and any reduction in the value caused by a failure by the tenant to comply with any terms of the tenancy. Section 14 is reproduced at the end of these reasons.
7. In respect of this case section 16 of the 1988 Act is also relevant and this states:

“It shall be an implied term of every assured tenancy that the tenant shall afford to the landlord access to the dwelling-house let on the tenancy and all reasonable facilities for executing therein any repairs which the landlord is entitled to execute.”

Evidence

Tenant's Submissions

1. The Tenant provided written submissions via the Reply Form contained within the Directions. They related to the condition and disrepairs of the property.
2. This included the following:
 - No central heating being present within the property.
 - Crittall framed windows single glazing throughout that are in a state of disrepair.
 - No curtains or floor coverings within the property.
 - No provision of white goods within the property.
 - Missing or broken roof tiles resulting in water ingress to the property.
3. The Tenant also states within his submissions that any rent increase would cause him hardship and result in arrears due to his low paid job.

Landlords' Submissions

4. The Landlord provided written submissions via the Reply Form contained within the Directions. The Landlord made a statement setting out that rents for a 2/3-bedroom property in the same area are upwards of £675 per week. No evidence was provided to support this.
5. The Landlord also confirmed that the boiler in the property had been replaced in August 2021.

Inspection

6. The Tribunal inspected the property on 27 January 2025. The property is a second floor, three-bedroom flat located within a purpose-built block comprising retail units on the ground floor and residential flats on the two floors above. The property is situated close to excellent transport links and is located on Falloden Way.
7. There is no central heating installed at the property and all the windows throughout are metal crittall framed single glazing.
8. The central hallway off which all the rooms are accessed has no floor coverings which is the same throughout the property. There also appeared to be signs of an historic water leak at one point in the ceiling in the hallway close to the property's main door. Within the Tenant's written submissions, references to broken or missing roof tiles were made which results in leaks. However, heavy rain over the past couple of days had not resulted in any active leaks that the Tribunal witnessed during the inspection.

9. There are three main bedrooms in the property with separate dining and living room spaces. Both the Tenant and the Landlord in their written submissions describe the property as a three-bedroom flat. All bedrooms are of good double bedroom size and are of similar dated condition throughout.

10. There is a separate toilet, and the bathroom contains a large sink and bath. Whilst the bath would appear to be original to the property, the Tribunal assessed that both the toilet and the sink units had been replaced in the past. Within the bathroom there are signs that the floorboards are deteriorating and rotting.

11. The kitchen has very old units with electrics that appear to be part of the original installation. There is a wooden door with single glazed panels that leads out of the kitchen to the external fire exit to the rear the property.

12. The lounge is of a good size but in a dated state with signs of disrepair (i.e., the electrics and windows).

13. The dining area is also of a good size and is currently being used as a storage area.

14. Whilst the property is in a very dated condition, the size is good with excellent transportation links. The electrics appear very dated throughout the property with the Tribunal assessing they appear to be original as well as there being a limited number of sockets available throughout the property.

Determination and Valuation

15. The Tribunal initially needs to determine what rent the Landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such an open market letting. In doing this, the Tribunal will consider the rental value of the property and will not consider the personal circumstances of the Tenant, as that is not a factor envisaged by the Act.

16. Neither party provided comparable information for the Tribunal. Having consideration of our own expert, general knowledge of rental values in the area we consider that the open market rent for the property in good tenable condition would be in the region of £2,750 per calendar month.

17. However, there are elements in the subject property that need to be considered and reflected via adjustments to the market rent. This includes an unmodernised kitchen and bathroom, dated nature of the overall property, the dated electrics, and no provision of white goods. The full valuation is shown below:

Market Rent		£/month
		2,750
<i>Less</i>		
Unmodernised kitchen) 10%	
Unmodernised bathroom) 5%	
Dated electrics throughout) 10%	
No white goods) 5%	
No central heating) 10%	
General disrepair) 5%	
		<u>1,237.50</u>
		1,512.50
	Say	£1,500

Hardship

18. Under section 14(7) of the 1988 Act, the Tribunal has a discretion to fix the starting date for the new rent from any point in time between the date set out in the notice of increase to the date that the rent is determined, if it appears to the Tribunal that the increase in rent would cause undue hardship to the tenant.

19. Within the Tenant's written submissions to the Tribunal, he refers to the hardship that any increase in rent would have to him due to his low paid job. Unfortunately, no evidence was submitted to the Tribunal (e.g., bank statements or expenses) and we therefore are unable to find any evidence of hardship that an increase in the rent would place on the Tenant.

Decision

20. The Tribunal determine that the market rent for the subject property is £1,500 per calendar month.

Chairman: Mrs S Phillips MRICS

Date: 27 January 2025

APPEAL PROVISIONS

If either party is dissatisfied with this decision they may apply for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be made within 28 days of this decision (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013. Any appeal in respect of the Housing Act 1988 should be on a point of law.

ANNEXE

Housing Act 1988

14.— 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.

(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.

(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] 5 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—

(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] 6 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] 7 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 committee 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.

