



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

Case reference : **TR/LON/00AM/MNR/2024/0356**

Property : **7A Navarino Road, London, E8 1AD**

Tenant : **Ms Daniela Olds**

Landlord : **Clarion Housing**

Date of application : **7 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 N Miller**

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

Date of decision : **17 December 2024**

REASONS FOR DECISION

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Background

1. The tenants live at the property under a monthly contractual periodic tenancy, that began on 1 June 2011.
2. The landlord served on the tenant a Notice of Increase, dated 17 April 2024, proposing to increase the rent at the property from £1,395 per month to £1,550 per month with effect from 6 July 2024.
3. On 11 June 2024 the Tribunal received an application from the tenant, dated 7 June 2024, 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 2 September 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 tenant indicated, in her reply form, that she wished the Tribunal to hold a hearing and an inspection in this matter. A face to face hearing, to be followed by an inspection later that day, was therefore arranged for 17 December 2024.
6. Neither party indicated that they would not attend the hearing, however neither of them did so – and the Tribunal's case officer was unable to get hold of either party by telephone. This was not a matter which required a hearing if neither party wished there to be one and the landlord had not indicated they wanted one. When we went to the property later in the day to inspect, we were greeted by the tenant who said (when we enquired as to her not attending the hearing) that she was not aware she was required to attend the hearing, and that she did not wish to request a different date for a new one.
7. Accordingly, we considered that both parties had been given sufficient notice of the hearing, and that it was in the interests of justice for us to proceed with a determination in this matter based upon the submissions received from the parties and our inspection of the property. It is difficult in any case to see how we might have done otherwise, as neither party apparently wished to attend any hearing – and this was the sole reason one had not been held.

The Inspection

8. We inspected the property on 17 December 2024, accompanied by the tenant, Ms Olds, her partner and their infant child. The landlord did not attend.
9. The property is a one bed flat with its own front door located on the ground floor of a period house to which a one storey, flat-roofed side and rear extension has been added. The flat occupies that side

extension, which consists of a kitchen, bathroom and corridor/entranceway – which gives access to a bedroom and a living room which are located within the structure of the original building.

10. The property is generally fair decoratively, decoration in any case being the responsibility of the tenant. There are significant damp (and associated mould) issues throughout the property, including in the bedroom and living room, which we find as a fact are not consistent with having been caused by any failure on the part of the tenant to ventilate (or by any other failing on their part); despite, we gather from the correspondence provided, the landlord's belief to the contrary. Indeed, a good deal of the apparent damp at the property is located beneath waist height. The causes of that damp are many and various, ranging from what would appear to be penetrating damp in the kitchen which appears likely to be caused by the overgrown moss/ivy on the other side of that wall to the apparently rising damp affecting the entirety of the frontage of the living room.
11. The windows and doors at the property are in a very poor condition (save for the modern front door), and are a mixture of wooden frame single and double glazing. Most of those wooden window frames and surrounds are in a damp and even rotten condition, with paint flaking from them.
12. The bathroom and kitchen fixtures and fittings are somewhat dated, and are below what would generally be expected in the market.
13. The property benefits from a small private yard area to the rear, which is in a fair condition – as well as access to a larger shared garden which is significantly overgrown and largely inaccessible.

The law

14. 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, on the proposed rental increase date in the landlord's notice of increase, 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 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

15. 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.

16. The tenant had not provided any comparable evidence of value for us to consider. The landlord provided screenshots of 3 apparent asking rents from Rightmove, for values ranging from £1,750 to £1,950 per calendar month. We had regard to those screenshots, however asking rents in general carry very little evidential weight, and in this case the information provided concerning them was far too limited for any meaningful comparison with the subject.
17. As the evidence from the parties consisted only of 3 asking rents, the details concerning which were extremely limited, 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.
18. We considered that a value of £2,000 per month would have been an appropriate value for the property as at 6 July 2024 were it let on the terms and in the condition considered usual in the market. In arriving at that figure, we are mindful that the shared garden to the rear of the property is significantly overgrown and not usable.
19. This hypothetical rent is adjusted as necessary to allow for the differences between the terms considered usual for such a letting and the actual one, as well as to account for any differences between the condition of the property and its actual condition at the proposed rental increase date.
20. The tenant is responsible for the internal decoration of the property. This is a material valuation consideration, and we made a deduction of 5% from the hypothetical rent to reflect these lease terms.
21. We made a deduction of 10% to account for the damp issues at the property detailed in the inspection section above.
22. We made a deduction of 10% to account for the windows and doors at the property being in very poor condition, and partially single glazed.
23. We made a deduction of 5% to account for the kitchen and bathroom fixtures and fittings being below the standard which would generally be expected in the market.
24. This provides a rent of £1,400 per calendar month as shown in the table below:

Hypothetical Market Rent	£2,000	Per month
LESS 5% Lease Terms (Tenant Decoration Responsibility)	-£100	
LESS 10% Damp Issues	-£200	
LESS 10% Windows and Doors	-£200	

LESS 5% Kitchen and Bathroom	-£100	
TOTAL	£1,400	Per month

25. Accordingly, we determined a rent of £1,400 per month for the subject property.

Effective Date

26. 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.

27. The tenant made no submissions as to potential hardship, and in any case the rental increase resultant from this determination is so small that it would be extremely unlikely to cause undue hardship to any tenant.

28. Accordingly, we determined that the rent would take effect from the date specified in the landlord's notice – 6 July 2024.

Decision

29. Pursuant to the considerations above, the Tribunal determined a rent of £1,400 per month in this matter, such rent to take effect from 6 July 2024.

Valuer Chairman: Mr Oliver Dowty MRICS

Dated: 7 February 2025

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).