



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

**Case reference** : LON/00BJ/MNR/2024/0308

**Property** : Flat 2 Mills House, Thessaly Road,  
London, SW8 4HD

**Tenants** : Mr Oleg Otel

**Landlord** : Ms Tetyana Samina

**Date of application** : 31 May 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** : 16 December 2024

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**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 12 August 2022.
2. The landlord served on the tenant a Notice of Increase, dated 17 April 2024, proposing to increase the rent at the property from £650 per month to £895 per month with effect from 1 June 2024.
3. On 31 May 2024 the Tribunal received an application from the tenant, 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. On 24 July 2024, the Tribunal wrote to the parties to indicate that one of its legal officers, Mr Okolo, was of the preliminary opinion that the Tribunal might lack jurisdiction to determine a market rent in this matter. This matter was considered, on the papers, by a panel consisting of Judge Dutton and Mrs Flynn MRICS – who determined that the Tribunal did have jurisdiction in relation to this matter.
5. Subsequently, the Tribunal issued Directions on 30 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.
6. The parties indicated, in their reply forms, that they wished the Tribunal to both hold a hearing and inspect the property. A hearing and inspection were therefore arranged for 16 December 2024.

## **The Hearing**

7. Due to the commitments of the parties, we held a video hearing in this matter on 16 December 2024. Both the landlord and the tenant appeared in person at that hearing.
8. The written submissions of the parties spoke to a number of disagreements both historic and present between the parties, which are not relevant to our determination of market rent. However, at the hearing the parties were much more focused – and this is not a complicated property to determine the market rent of (which is all the Tribunal has the power to do).
9. The tenant occupies a room in a flat that is shared with other tenants, and expressed his concern regarding the condition both of his room and the wider flat – referencing mould and damp issues and damage to the window closing mechanism in his room which meant the windows didn't fully close or open. Works were ongoing to correct some issues such as the damp and poor drainage now, but they had

existed for some time before. In addition, there were issues with the boiler and the fire alarm at the property (though the latter, at least, had now been fixed).

10. In terms of the valuation itself, the tenant said that he did not know what the room might fetch on the market, but referred to the rent paid for a neighbouring flat (as against a room in a flat) of £850 per month – though that flat is let as social housing rather than on an open market basis.
11. The landlord said that the tenant had been in occupation for 7 years, and during that time there had only been one, £30, rental increase. The landlord had let another room in the property on the market in July for £950 per month, which she said was slightly bigger but similar to the subject. The £895 proposed included bills, a cleaner and all the white goods. The boiler was serviced annually.
12. As regards the tenant's complaints regarding the mould on the bathroom ceiling, the landlord averred this was caused by condensation and was the responsibility of the tenants to remedy – but nevertheless she had dealt with it, and provided sprays to the tenants to use.
13. The tenant had indicated that he might experience undue hardship if the rental increase was backdated, and both parties spoke to that issue. This is covered in a later section of these reasons.

## **The Inspection**

14. We inspected the property after the hearing, on the same day as it. We were accompanied by both the tenant and the landlord.
15. The property consists of a room in a flat on the ground floor of a local authority block. The room has laminate flooring and painted plaster walls and ceilings. There was some dispute between the parties as to the size of the room, which we find as a fact is a medium sized double bedroom, but that does mean it is on the smaller side of double bedrooms typical for shared houses. The room itself was in a fair decorative condition, with some marks on the ceilings. One of the window latches did not apparently close fully, and the tenant complained of it not properly functioning at the hearing.
16. The shared facilities include a bathroom, a separate toilet and a kitchen, which are all slightly dated and basic. There was no apparent mould on the bathroom ceiling when we inspected, but there are pictures in the bundle showing black spot mould on that ceiling and both parties made reference to it occurring at the property. There is no living room at the property, and the outside space is a 'balcony' (in reality an area on the ground to the rear of the property which has a low fence around the outside), shared by the subject room and another room in the building.

17. We were shown into that other room, with the kind permission of the occupier of that room, as the landlord had referred to the letting of it in evidence at the hearing. It was somewhat larger than the subject room and was in a better decorative condition.

### **The law**

18. 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**

19. The tenant had referred to a flat next door, which was rented for £850 per month – but that flat is let as social housing. This is far removed from an open market transaction, and is not useful evidence of value.
20. For her part, the landlord had referred to various asking rents for rooms obtained from the internet. We had regard to those asking rents, but asking rents in general carry very little evidential weight, and in this case the information provided concerning them was too limited for any meaningful comparison with the subject.
21. The landlord did, however, refer to the letting of a room in the subject flat on 8 July 2024 at £950 per month – close to the valuation date (the proposed rental increase date in the notice). That room even has the other access to the rear ‘balcony’ area that the subject room does. This is very good evidence of value, and being in the same flat as the subject already reflects the circumstances of the shared common parts, regarding which there had been much disagreement between the parties and the inclusion of the bills in the rent. That being said, it is for a (quite noticeably) larger room which is in a better decorative condition.
22. We considered that, compared with the other room in the flat, the subject property might be expected to let for around 10% less, or £855 per month. In addition, that property is in a better decorative condition – and the window closing mechanism in the subject room is slightly defective. We considered a deduction of 5% would be appropriate to account for the difference in decorative quality and the issues with the window closing mechanism, which provides a value of £807.50 per month as shown in the calculation below:

Rent for Other Room	£950	Per month
LESS 10% Size Difference	-£95	
LESS 5% Decorative Condition & Window Closing Mechanism	-£47.50	
<b>TOTAL</b>	<b>£807.50</b>	<b>Per month</b>

23. Standing back and looking, we considered that £807.50 was a sensible figure in light of our knowledge and experience, as an expert tribunal, of rents in the local area. In doing so we had regard to the terms of the letting (particularly as regards the furniture provided and the inclusion of bills in the rent), the fact that the room was on the smaller side of double bedrooms available in the market, as well as the other physical characteristics of it and the shared common parts.

24. Accordingly, we determined a rent of £807.50 per month for the subject property.

### **Effective Date**

25. 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.

26. The tenant submitted that he would experience undue hardship if the rent were backdated to the date proposed in the notice of increase, 1 June 2024. He had been diagnosed with depression and an anxiety disorder, had no savings and was in receipt of universal credit as he did not work.

27. For her part, the landlord indicated that she would experience financial hardship if the rent wasn't backdated. Whilst we are of course sympathetic to this, the law envisages us considering whether it would cause the tenant undue hardship, not the landlord, or some sort of balance of the two.

28. The landlord also alleged that, whilst the tenant said he received universal credit, she had been told by other people in the flat previously that he had been illicitly working as a personal trainer. This was strongly resisted as an allegation by the tenant, and it is an allegation made purely on hearsay without any sort of evidence to support it – despite how serious an accusation it is. Put simply, we did not feel that there was any weight to this accusation on the evidence provided to us, and we disregarded it entirely.

29. Both we, and the Tribunal as a whole, are sensitive to mental health issues. However, we don't think the tenant's mental health is particularly relevant to the more matter of fact consideration of whether he would experience financial hardship as a consequence of the rent being backdated. Instead, the main consideration in this is the fact that he is unemployed, has no savings and is reliant on Universal Credit. We think it is obvious that he would experience considerable hardship were we to backdate the rent to 1 June 2024, and accordingly we exercised our power to determine a later starting point.

30. We therefore determined that the rent would become effective from 1 December 2024, the rent payment date immediately before our decision was made.

### **Decision**

31. Pursuant to the considerations above, the Tribunal determined a rent of £807.50 per month in this matter, such rent to take effect from 1 December 2024.

Valuer Chairman: Mr Oliver Dowty MRICS  
Dated: 30 January 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).