

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	LON/00BG/MNR/2024/0671
Property	:	Flat 14, Cyan Apartments, 2 Gunmakers Lane, London E3 5GU
Tenant	:	Mr Ryan Banks Ms Olivia Mae Pratten
Landlord	:	A2Dominion Residential Limited
Date of Objection	:	30 April 2024
Type of Application	:	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Hearing Date	:	28 February 2025
Hearing Venue	:	Alfred Place, London
Tribunal Member	:	Mrs S Phillips, MRICS Mr J Francis
Date of Full Reasons	:	28 February 2025

DECISION

The Tribunal determines a rent of £1,890 per calendar month with effect from 1 May 2024.

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FULL REASONS

Background

- 1. By an application dated 30 April 2024, Mr Ryan Banks and Ms Olivia Mae Pratten, the tenants of Flat 14, Cyan Apartments, 2 Gunmakers Lane, London E3 5GU (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, A2Dominion Homes Limited, served a notice proposing an increase in the rent. The notice proposed an increase in the rent from £1,799.67 per month to £2,450.00 per month. The notice was dated 20 March 2024 and proposed a starting date for the new rent of 1 May 2024.
- 3. When the application was initially received by the Tribunal, a jurisdiction point was identified. This related to the validity of the Notice of Increase served by the Landlord and the date that was identified for the rent increase to commence from. It was decided by the Tribunal on 16 December 2024 that the correspondence received demonstrated that all parties accepted the rent increase would commence on 1 May 2024. As such it was decided that the Tribunal had jurisdiction to deal with the matter.
- 4. The Tribunal issued Directions on 20 December 2024 instructing the parties to provide all relevant information and submissions they wished to make in this application.
- 5. Following receipt of the reply form from the Tenant, a request for a hearing was made and subsequently arranged for 28 February 2025.

The Law

- 6. 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.
- 7. 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.

8. 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."

Inspection

9. The Tribunal did not inspect the property but considered this case on the basis of the papers and evidence provided by the parties.

Hearing & Evidence

- 10. On 28 February a hearing took place at Alfred Place at which the Mr Ryan Banks attended for the Applicants and there was no representation or attendance for or by the Respondent.
- 11. The Tribunal has consideration of the written submissions by the Tenant in their application together with the submissions made by the Tenant at the hearing. There were no written submissions from the Landlord.
- 12. In February 2023 the Tenants made the Landlord aware of a damp that they were experiencing in the property to one of the walls of their ensuite bathroom. Signs of damp and mould were present on the walls including the smell of damp.
- 13. The Landlord's initial response was to paint the area which resulted in signs of damp and mould returning in a few months.
- 14. Further complaints were made by the Tenant to the Landlord on this matter which led to several visits by contractors trying to identify the issue. It was not until October 2024 when a contractor undertook intrusive works to the wall that the issue was fully identified. The contractor concluded that the damp was because of the shower leaking.
- 15. The Tenants moved out of the property on 31 January 2025 when the matter had still not been resolved. No repair had been made to the

leaking shower despite this being identified as the issue and the hole remained in the wall where the survey had been undertaken with the carpet now being damaged due to the dampness.

- 16. With regards to values in the area, the Tenant referenced other similar flats in the building being advertised for \pounds 300 less than the rent stated on the Notice of Increase from the Landlord.
- 17. Despite the Tenant making efforts to resolve this matter with the Landlord directly, no response was provided by the Landlord.

Determination and Valuation

- 18. 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.
- 19. Having consideration of our own expert, general knowledge of rental values in the area, the Tribunal consider the open market rent for the property in good tenantable condition would be in the region of £2,100 per calendar month for the subject property.
- 20. However, the lack of repair in relation to the leaking shower resulting in damp and mould at the subject property needs to be taken in to account and reflected via adjustments to the market rent. The full valuation is shown below:

Market Rent		£/month 2,100.00
<i>Less</i> Lack of repair resulting in damp) 10%	<u>210.00</u>
		1,890.00

Decision

21. The Tribunal determine that the market rent for the subject property is \pounds 1,890 per calendar month.

22. The Tribunal directs the new rent of £1,890 to take effect on 1 May 2024, this being the date as set out in the Landlord's Notice of Increase.

Chairman: Mrs S Phillips MRICS Date: 28 February 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.