



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

Case Reference : **HAV/43UB/MNR/2024/0640**

Property : **20 Vine Road
East Molesey
Surrey
KT8 9LB**

Applicant Tenants : **Mr S H Houssaini and Mrs P J Richter**

Representative : **None**

Respondent Landlords : **Mr R D Muir and Mrs K J L Muir**

Representative : **Mr D Bolster
Peacock & Co.**

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

Tribunal Members : **Mr J G G Wilson MRICS FCI Arb
Ms C D Barton MRICS
Judge D Cowan**

Date of Application : **4 October 2024**

Date of Decision : **21 January 2025**

DECISION

On 21 January 2025 the Tribunal determined a market rent of £6,775 (Six Thousand, Seven Hundred and Seventy-Five Pounds) per Calendar Month to take effect from 5 October 2024.

REASONS

Background

1. By way of an application received by the Tribunal on 4 October 2024 the Applicants (“the tenants”) of 20 Vine Road, East Molesey, Surrey, KT8 9LB (hereinafter referred to as “the property”) referred a Notice of Increase in Rent (“the Notice”) by the Respondents (“the landlords”) of the property under Section 13(4) of the Housing Act 1988 (“the 1988 Act”) to the Tribunal.
2. Whereas the Notice is dated 4 September 2024, it is understood to have been given to the tenants the following day. A new rent of £8,820 per month is proposed in lieu of a passing rent of £6,000 per month, to take effect from 5 October 2024.
3. The tenants have occupied the property under an assured tenancy from its term start date of 5 October 2021; having previously occupied the property under an assured tenancy from its term start date of 5 October 2018.
4. The Tribunal issued Directions dated 29 November 2024 advising the parties that it considered the matter suitable for determination on the papers unless either party objected, in writing, within seven days. The parties were also advised that, whereas no inspection would be undertaken, the Tribunal would seek to view the property on the internet. Paragraphs 5 and 6 of the Directions respectively.
5. The Rent Appeal Statement includes a provision for the parties to submit photographs to assist the Tribunal to understand the case and to help each party to present the issues.
6. The Directions required the landlords and the tenants to submit their completed Rent Appeal Statements (“Statement”) to the Tribunal by 16 December 2024 and 2 January 2025 respectively, with copies to be sent to the other party. The landlords submitted their Statement on 15 December 2024, which was copied to the tenants the same day, thereby compliant with the Directions. The tenants did not submit a Statement, albeit various information is included in their Application to the Tribunal.

The Property

7. From the information provided in the Papers and Google Street View, the property is a substantial early Victorian town house with accommodation arranged over three storeys (ground, first and second floors), with a basement, rear garden, gated drive with off-street parking and a garage. From the lettings’ particulars and information provided the gross internal area is 255.21 square metres (2,747 square feet).
8. In outline, the grounds and accommodation are arranged as follows: front – gated drive with parking for two cars and garage; rear – large garden with patio, lawn, mature trees and shrubs; ground floor – entrance hall, four reception rooms,

kitchen and cloakroom/WC; first floor – four bedrooms, one shower room/WC (en suite) and one bathroom/WC with shower; second floor – two bedrooms and one bathroom/WC; and basement – two storage rooms.

Inspection

9. The Tribunal did not inspect the property but considered this case based on the papers provided by the parties and information freely available on the internet.

The Tenancy Agreement

10. The tenancy agreement is a renewal of a previous tenancy with a commencement date of 5 October 2021 for a term of three years to end on 4 October 2024. The rent is £6,000 (Six Thousand Pounds) per calendar month.
11. If the tenants continue to reside in the property at the expiration of the fixed term, with the landlords' agreement and no further tenancy has been agreed by the parties, then from expiry of the fixed term the tenants shall occupy the property under a statutory periodic tenancy in accordance with section 5(2) of the Housing Act 1988.
12. The tenancy agreement includes both a landlords' break clause and a tenants' break clause. The Tribunal understands, whereas it was the tenants' intention to give vacant possession, on or about 30 September 2024, they did so on 21 October 2024.
13. Liability for repairs are principally held by the landlords; section 11 of the Landlord and Tenant Act 1985 applies. In addition, with respect to the garden, the landlords are required to provide a gardener to maintain the boundaries, hedges, shrubs and trees at the property, to include any cutting and trimming when necessary. The tenants are required to keep the property in the same condition as at commencement of the term, fair wear and tear excepted. With respect to the garden, whereas the tenants are required to mow the lawn, the landlords are required to provide a lawnmower and to keep the same in good repair and working order.
14. The tenancy agreement does not include a rent review clause.
15. The Tribunal has considered the Rent Appeal Statement ('the statement') submitted by Mr and Mrs Muir dated 15 December 2024, following the Tribunal's Directions dated 29 November 2024 and Mr Houssaini's submissions in his application. In addition, the Tribunal has considered the case bundle.

Submissions – Rent Appeal Statement

16. The landlords submitted their Rent Appeal Statement to the Tribunal on 15 December 2024 and copied the same to the tenants the same day.
17. Under 'Description' the Landlords provide an outline of the accommodation, on a floor-by-floor basis and give gross internal areas which correspond with those in the sales and lettings' particulars prepared by Savills and given in the bundle.

18. In addition to the areas, the particulars include descriptions of the property: ‘Newly renovated executive home in one of Molesey’s [sic] most popular roads’...’Stunning period home with beautiful southerly garden in superb location.’ A selection of photographs, both external and internal, is provided and plans of each floor – Attachments 1 and 2.
19. Under ‘Improvements’ the landlords say the property was fully renovated in 2017/2018. The works were completed prior to the property being put on the market to let. ‘Expense to Landlords approx. £275,000.’ Following this the landlords say, ‘During 6-year tenancy (paid for by Landlords & all invoices available upon request)...Expense to Landlord approx. £30,000 over six years.’
20. Under ‘Condition of the property – including:’, the landlords say, ‘An independent Check-In Inventory we paid for showed that the condition of the house was excellent (available on request), as do the rental particulars.’
21. The proposed new rent of £8,820 per calendar month is an aggregate of a base rent of £7,500 per calendar month and ‘cost of services’ of £1,326 per calendar month, to equal £8,826 per calendar month, rounded down.
22. The base rent is arrived at ‘using four standard measures’ set out with corresponding Attachments: 4A & 4B, 5A, 5B and 5C. The average of these ‘valuations produced a base rental value of £7,798 per calendar month. We rounded this down to a final base rent of £7,500 [sic] (see Attachment 5D).’
23. In their Application to the Tribunal, the tenants outline the details of the property’s accommodation, the garden and garage. Under ‘Services’ gardening is provided.
24. The tenants go on to confirm both their repairing obligations and those of their landlords, which is as outlined in paragraph 13 above.
25. The tenants do not provide their assessment of the rental value of the property.

The Law

Section 14, Housing Act 1988 - Determination of Rent by First-tier Tribunal

- (1) Where, under subsection (4)(a) of section 13 above, a tenant refers to a First-tier Tribunal a notice under subsection (2) of that section, the Tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the 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.
 - (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 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.
26. In accordance with the terms of section 14 of the Act, the Tribunal is required to determine the rent at which it considers the subject property might reasonably be expected to let on the open market, by a willing landlord, under an assured tenancy, on the same terms as the tenancy. In so doing, and in accordance with the Act, the Tribunal ignores any increase in value attributable to tenant's improvements and any decrease in value due to the tenant's failure to comply with any terms of the tenancy.

Considerations and Valuation

27. The bundle is 104 pages. The Tribunal has read the bundle in full and has considered all the parties' submissions and their associated documents. In its considerations and valuation, the Tribunal does not examine every point made in the bundle but concentrates on those that go to the valuation argument.
28. From the parties' submissions, the property is a substantial period house, in very good to excellent condition, with modern fixtures and fittings. Externally, to the front, there is a drive with off-street parking and a garage; to the rear, there is a substantial garden, with a patio, lawn and mature shrubs and trees. Vine Road is an urban location with the associated amenities of East Molesey, which include local bus and rail services.
29. The Tribunal is required to determine the rent at which the property might reasonably be expected to be let in the open market by willing landlords under an assured tenancy. The personal circumstances of the tenants are not relevant to this issue.
30. The Tribunal has considered the comparable lettings evidence provided by Mr and Mrs Muir in their statement. This includes Attachments 4A and 4B – an Estate Agent Rental Appraisal (Hamptons) and estate Agent Rental Data (also Hamptons). Thereafter Mr and Mrs Muir provide Attachment 5, which is in four parts 5A to 5D inclusive; and Attachment 6 – calculation of service cost.
31. With respect to Attachment 6, the Tribunal is obliged to determine that the tenancy agreement does not provide for the Landlords to include a sum for 'cost of discretionary services provided at property.' However, note our comments below with respect to the maintenance of the garden.
32. The Tribunal comments on the 'four standard measures' as follows:
 - 1) 4A & 4B – Hamptons advice is for marketing to let purposes; it is not a valuation. The property referred to at 4B was marketed to let 15 (fifteen) to 18 (eighteen) months prior to the valuation date in this case.
 - 2) 5A – Of the five properties listed and analysed, one is in Vine Road, with a broadly similar gross internal area as the property. By taking the average of the five analyses to reach £2.54 psf, pcm, equal weighting has been attributed to each of the properties. The rental values range from £4,000 pcm up to £25,000 pcm. In such an analysis, the Tribunal would expect greater weight to have been attributed to those properties with a rental value broadly similar to the property. The average stated is £2.54 per square foot, per calendar month. The average of £2.14, £2.33, £2.90, £2.80 and £2.11 is £2.46; which when applied to 3,007 square feet, equals £7,397 pcm.
 - 3) 5B – In the Tribunal's opinion, to value a residential property by applying a yield to a capital value is a broad-brush approach, the outcomes of which can be misleading.
 - 4) 5C – To adjust a comparable property for time by applying an index is an established approach in property valuation. However, the Tribunal would

expect a property-based index to be applied, not the Retail Prices Index ('RPI'). In addition, any analysis based on an adjustment for time of over two years is to be treated with caution. Typically, an adjustment for time up to one year is regarded as acceptable, assuming stable market conditions.

33. Following the above, the contents of the bundle and of its own expert, general knowledge of rental values in the area, the Tribunal determines that the market rent for the property in good tenable condition would be £6,500 (Six Thousand Five Hundred Pounds) Per Calendar Month.

34. In addition, 'The Landlord will provide a gardener to the Tenant for the duration of the Tenancy...' Accordingly, an adjustment to the market rent is necessary. The Tribunal have assessed the cost to provide a gardener to maintain the garden to a standard commensurate with a property of this type and in its location is £275 per month.

35. The Tribunal's valuation is shown below:

Market rent (£ PCM)	£6,500
Plus, addition (£ PCM) for:	
Provision of a gardener	<u>£275</u>
Market rent (per calendar month)	£6,775

36. The Tribunal therefore decided that the rent at which the property might reasonably be expected to be let in the open market by willing landlords under the terms of this assured tenancy was £6,775 (Six Thousand, Seven Hundred and Seventy-Five Pounds) per calendar month. Which to adopt the Landlords' 'pounds per square foot, per calendar month ('psf, pcm')' analysis approach at 5A, with an area of 3,007 square feet, is an equivalent £2.25p psf, pcm.

37. The Tenants made no representation that the starting date for the new rent specified in the Landlords' notice would cause them undue hardship.

38. Accordingly, the Tribunal directs that the new rent of £6,775 Per Calendar Month should take effect from 5 October 2024. This being the date specified in the Landlords' Notice proposing a new rent.

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 days' time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 days' time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.