

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	HAV/29UM/MNR/2024/0636
Property	:	5 Staplehurst Road Sittingbourne Kent ME10 2NY
Applicant Tenants	:	Mr M Alamgir & Ms T Ripa
Representative	:	None
Respondent Landlord	:	Ms Yvonne Ahiakpor
Representative	:	Managing Agent - Annor Properties Limited
Type of Application	:	Determination of a Market Rent - sections 13 & 14 of the Housing Act 1988
Tribunal Members	:	Mr J G G Wilson MRICS FCIArb Ms C D Barton MRICS Judge D Cowan
Date of Application	:	16 November 2024
Date of Decision	:	21 January 2025

DECISION

On 21 January 2025 the Tribunal determined a market rent of £1,325 (One Thousand, Three Hundred and Twenty-Five Pounds) Per Calendar Month to take effect from 15 January 2025.

REASONS

Background

- 1. By way of an application received by the Tribunal on 16 November 2024 (dated the same day), the Applicant ("the tenants") of 5 Staplehurst Road, Sittingbourne, Kent, ME10 2NY (hereinafter referred to as "the property") referred a Notice of Increase in Rent ("the Notice") by the Respondent ("the landlord") of the property under Section 13(2) of the Housing Act 1988 ("the Act") to the Tribunal.
- 2. The Notice, dated 28 October 2024, proposed a new rent of £1,425 per month in lieu of a passing rent of £1,275 per month, to take effect from 15 January 2025.
- 3. The tenants have occupied the property under an assured tenancy from its term start date of 15 October 2022.
- 4. The Tribunal issued Directions dated 27 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 for provision of photographs to assist the Tribunal to understand the case and to help the parties to present the issues.
- 6. The Directions required the landlord and the tenants to submit their completed Rent Appeal Statements ("Statement") to the Tribunal by 11 December 2024 and 25 December 2025 respectively, with copies to be sent to the other party. Whereas neither party submitted a Statement to the Tribunal, Mr Alamgir in his email dated 16 November 2024 with application attached, made submissions to the Tribunal.
- 7. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 21 January 2025 based on the tenants' Notice under section 13(4) of the Housing Act 1988 with its associated email of the same date, and of its own expert, general knowledge of rental values in the area.

The Property

- 8. From the information provided in the papers and Google Street View, the property is a 1960's two-storey, semi-detached house with pitched tiled roof. It is in an urban location with local bus and rail services.
- 9. The accommodation is: reception room, kitchen, bathroom/WC and three bedrooms (two double and one single). Outside there are front and rear gardens and storage facilities.

The Tenancy Agreement

10. The tenancy agreement was signed by the parties and the guarantor from 13 October 2024 to 16 October 2024. It is for an initial term of twelve (12) months

from and including 15 October 2022, to expire and to include 15 October 2023. The rent is $\pounds_{1,275}$ per calendar month.

- 11. At the expiration of the fixed term, the tenancy '…will continue as a contractual periodic tenancy in accordance with the Housing Act 1988 (as amended).' The periodic tenancy can be ended by the tenants by giving at least one month's notice in writing to the landlord. The notice is to expire on the last day of a rental period.
- 12. The tenants covenant, inter alia, to pay the rent, to pay the charges for Council tax and utilities and other relevant suppliers, to occupy the property as your only or principal home, to keep the interior of the property including the fixtures and fittings and the contents in the same condition, cleanliness, repair and decoration as at the commencement of the tenancy (fair wear and tear excepted).
- 13. Similarly, the landlord covenants, inter alia, to provide for quiet enjoyment, to 'Keep in repair the structure and exterior of the dwelling (including drains, gutters and external pipes) and keep in repair and proper working order the installations for the supply of any water, electricity, gas, sanitation and for space heating and water heating in accordance with Section 11 of the Landlord and Tenant Act 1985 (as amended).'
- 14. Whereas the tenancy agreement provides an option to increase the rent on its anniversary, the mechanism for such is not clear, (clause 3.1).

Submissions

- 15. The landlord's representative, Annor Properties Limited, has neither submitted a Statement, nor any comparable lettings evidence for the Tribunal to consider, to support its proposed new rent of $\pounds_{1,425}$ per month.
- 16. Whereas the tenants are neither represented nor submitted a Statement, they have made various submissions in their email dated 16 November 2024, to which their application to the Tribunal was attached.
- 17. In outline, the tenants highlight the following concerns about the property:
 - 1) The porch excessive dampness;
 - 2) Black mould to the ceilings in all rooms and the bathroom;
 - 3) Carpet condition 'the main room carpet was already in poor condition when we moved in...';
 - 4) Insufficient insulation 'the house remains very cold even with heating, leading to consistently high energy bills...';
 - 5) Shower room leak the shower room is unusable due to a persistent leak; and
 - 6) Kitchen flooring the vinyl tiles in the kitchen are broken.
- 18. Mr Alamgir goes on to say he has fixed a broken fence, sought to address the black mould issues and replaced leaking taps in the bathtub and basin.

19. In conclusion, Mr Alamgir says, 'Given the current state of the property, I strongly believe that the proposed rent increase is not justified. After reviewing rental rates for comparable properties in the area, I feel that a fair increase would be up to **£1350 per month** [his emphasis], considering the unresolved issues.'

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 Firsttier 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 dwellinghouse 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.
 - 20. 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

- 21. The Tribunal first considered whether it felt able to determine this case reasonably and fairly based on the papers submitted only, with no oral hearing. Having read and considered the papers, the Tribunal decided it could do so.
- 22. The Tribunal is required to determine the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy. The personal circumstances of the tenant(s) are not relevant to the issue.
- 23. As neither party had submitted comparable lettings evidence to support their cases, the Tribunal has been obliged to conduct its own research of the lettings market of comparable properties in the area. From those enquiries, the Tribunal established comparable lettings in the vicinity in the range of £1,350 per calendar month to £1,500 per calendar month.
- 24. Having considered what Mr Alamgir has said and of its own expert, general knowledge of rental values in the area, the Tribunal determined that the market rent for the property in good tenantable condition would be at the upper end of the range established £1,500 (One Thousand, Five Hundred Pounds) per calendar month.
- 25. Such a tenancy would normally include white goods, carpets, curtains/blinds and associated fittings, all to be provided by the Landlord.
- 26. In this case the Tenant has informed the Tribunal of various items of disrepair (which are outlined at paragraphs 17 and 18 above) and that the insulation is

insufficient. In addition, the Tribunal notes: (1) the property is located on a bend of a comparatively busy road and close to a roundabout; (2) the amenity space is limited, typically the front garden is small; and (3) the Tenant is responsible for internal decorations (fair wear and tear excepted). Accordingly, some adjustments to the market rent are necessary.

27. The Tribunal's valuation is shown below:

Market rent in good condition (£ PCM)	£1,500
Less deductions (£ PCM) for:	
Disrepair and poor insulation Position on the road Tenants' liability for internal decorations Limited amenity space – small front garden	£75 £25 £50 <u>£25</u> £175
Market rent (per calendar month)	£1,325

- 28. The Tribunal therefore decided that the rent at which the property might reasonably be expected to be let in the open market by a willing Landlord under the terms of this assured tenancy was £1,325 (One Thousand, Three Hundred and Twenty-Five Pounds) per Calendar Month.
- 29. The Tenants made no representation that the starting date for the new rent specified in the Landlord's notice would cause them undue hardship.
- 30. Accordingly, the Tribunal directs that the new rent of £1,325 per Calendar Month should take effect from 15 January 2025. This being the date specified in the Landlord's Notice proposing a new rent.

RIGHTS OF APPEAL

- 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 <u>rpsouthern@justice.gov.uk</u> 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.