

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

Case Reference	:	LON/00AR/MNR/2024/0702
Property	:	119 Albany Road, Hornchurch, Essex, RM12 4AG
Tenant	:	Muhammad Tayyab Khan and Mariyam Rauf
Landlord	:	Jose Antonio Gonzalez-Hernando
Date of Objection	:	27 March 2024
Type of Application	:	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal	:	Judge Robert Latham Alison Flynn MA MRICS
Date of Summary Reasons	:	9 April 2025

# EXTENDED REASONS

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## Background

1. On 25 October 2019, Mr Jose Antonio Gonzalez-Hernando ("the Landlord") granted Muhammad Tayyab Khan and Mariyam Rauf ("the Tenant") an assured shorthold tenancy of 119 Albany Road, Hornchurch, Essex, RM12 4AG ("the Property"). The tenancy was for a term of 12 months from 1 November 2019 at a rent of £1,425 per month,

2. On 28 September 2024, the Landlord served a notice under Section 13(2) of the Housing Act 1988 ("the Act") which proposed a new rent of £1,895 in place of the existing rent of £1,650 per month to take effect from 1 November 2024.

3. On 31 October 2024, under Section 13(4)(a) of the Housing Act 1988, the Tenant referred the Landlord's notice proposing a new rent to the Tribunal for determination of a market rent.

4. On 16 January 2025, the Tribunal gave Directions. The Tenant requested an inspection. Neither party requested an oral hearing.

5. On 20 March 2025, the Tribunal inspected the property and determined a market rent of  $\pounds$ 1,870 per month which was to take effect from 1 November 2024. We notified the parties of our decisions and provided summary reasons.

6. The Landlord has requested that we provide full reasons.

### The Inspection

7. The Tribunal inspected the property at 11 am on 20 March. The Landlord had sent two representatives, namely Mr Hall (a neighbour) and Mr Fortu. The Tribunal felt that this was excessive and that only one should be present at the inspection. It was agreed that this should be Mr Hall. The Tribunal inspected the Property with Mr Khan and Mr Hall.

8. Any inspection impinges on the privacy of the tenant. The purpose of any inspection is to better understand the written representations which have been made by the parties and to inspect the property. The Tribunal did not receive any evidence at the inspection. Neither party had requested an oral hearing.

9. The Property is a three-bedroom semi-detached house with living room, kitchen/diner, and bathroom. There is a storeroom off the kitchen. There is central heating; double glazing; central heating; off street parking and a rear garden. The Landlord has provided the white goods.

10. Prior to the grant of the tenancy in October 2019, the Landlord had refurbished the property. However, this had not been executed to a high standard and was showing signs of wear. There were gaps to the flooring panels in the living room and bathroom. There were also gaps in the skirting board. There were also gaps to the kitchen finish behind the sink. We noticed that there was only a limited supply of sockets. The Tenant has provided some of the furniture. However, this would not affect the assessment of the rent.

#### The Law

11. Section 14(1) of the Act requires the Tribunal to determine the rent at which the dwelling can 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.

12. Section 14(2) provides that in making a determination under this section, the Tribunal shall disregard:

(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.

13. Section 14(7) provides that where a notice has been referred to a tribunal, the rent determined by tribunal 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 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 tribunal may direct.

#### Assessment of the Market Rent

14. In reaching our determination, the Tribunal had regard to the written submissions made by the parties and to our general knowledge of rental values in the area.

15. Pursuant to the Directions, both parties returned Reply Forms and written submissions. Both parties subsequently made further submissions, but these have been of limited assistance.

16. The Tenant has provided 13 comparables in the range of £1,900 to £2,300 pm. He noted that the condition of these properties was better than the demised Property. He states that the condition of the Property was extremely poor when he moved into occupation. He contended that the increase should take effect from the date of our decision as the increase would cause significant hardship. Both Mr and Mrs Khan had part time jobs, working 32 and 20-24 hours respectively. Their youngest son suffered from ill health and required additional care.

17. The Landlord provided 14 comparables in the range of £2,200 to £2,800 in respect of market rents in the area. The property at £2,800 seemed to be an outlier. The other properties were in the range of £2,200 to £2,400 pm. He stated that the property was larger than other semi-detached houses in the area and that the Property had been let fully furnished. He argued for a market rent of £2,400 pm. The Landlord contended that the increase in rent should not be deferred on grounds of undue hardship. Mr Ahmad works as a solicitor. Photographs were provided of two cars, a hybrid black BMW and a white Audi A4, parked outside the Property. He provided witness statements from Mr Steve Hall who lives at 121 Albany Road and Mr Danny Cole and Ms Laura Cole who live at 117 Albany Road. The Landlord applies for costs against the Tenant.

18. The Tribunal first determined the market rent which the landlord could reasonably expect to obtain for the flat in the open market if it were let today in the condition that is considered usual for such an open market letting. We had regard to the comparables submitted by the parties. We also carried out our own research of three-bedroom semi-detached properties which indicated rents of £1,800 to £2,500 pm. The outliers at £1,800 pm was terraced; whilst the property at £2,500 pm had a conservatory extension.

19. We assessed the market rent at  $\pounds$ 2,200 per month. We did not consider that the fact that the Property had been let furnished would have had a significant effect on the rent.

20. However, the property is now somewhat worn and is not to a high standard. We therefore made a deduction of 15% and assessed a market rent of £1,870 per month.

## Decision

21. The Tribunal determined that the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under an assured tenancy in its current condition is  $\pounds$ 1,870 per month.

22. The Tribunal directed that the new rent should take effect from 1 November 2024, namely the date as set out in the Landlord's Notice of Increase. We were not satisfied that the commencement date should be deferred on grounds of "undue hardship".

23. This is a "no costs" jurisdiction. We made no order for costs. The landlord had not established unreasonable conduct on behalf of the Tenant such as to justify a penal costs order under rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. We have determined a rent which is slightly lower than that specified by the landlord in his Notice of increase.

# Judge Robert Latham 9 April 2025

## **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 Firsttier Tribunal at the Regional Office which has been dealing with the case. The application should be made on Form RP PTA available at <u>https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber</u>

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).