

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

| Case Reference       | : | FR/LON/00AH/MNR/2025/0603  |  |
|----------------------|---|--|--|
| Hearing Type         | : | No Hearing   |  |
| Property             | : | Flat 2, 61 Lansdowne Road, Croydon, Surrey,<br>CR0 2BF                         |  |
| Applicant            | : | Emeka Okolie (Tenant)  |  |
| Representative       | : | In person  |  |
| Respondent:          |   | White Lloyd Limited. (Landlord)  |  |
| Representative       | : | Countrywide Lettings, Bairstow Eves  |  |
| Date of Objection    | : | 12 November 2024   |  |
| Type of Application  | : | Referral in Respect of Market Rent Under Section<br>13 of the Housing Act 1988 |  |
| Tribunal Members     | : | J. A. Naylor FRICS FIRPM<br>Valuer Chairman                                    |  |
|                      |   | Mr N Miller  |  |
| Date of Hearing      | : | 31 March 2025  |  |
| Date of Inspection   | : | 31 March 2025 (not completed)  |  |
| Date of Full Reasons | : | 17th April 2025  |  |

#### STATEMENT OF FULL REASONS ON AN APPLICATION FOR DETERMINATION OF A MARKET RENT UNDER S. 13 AND 14 OF THE HOUSING ACT 1988.

## **REASONS**

#### **Background**

- 1. On 6 November 2024, the landlord served a Notice under Section 13(2) of the Housing Act 1988 proposing an increase in the rent of the above property from the passing rent of £875.00 per month to £1,050.00 per month.
- 2. On 12 November 2024, the tenant made an application to the Tribunal for the determination of a market rent.
- 3. The original tenancy was believed to have begun 31 March 2021.
- 4. By way of a letter dated 20 January 2025, the Tribunal issued directions. These required the landlord to provide details of evidence on which they wished to rely by way of reply by 10 February 2025. The tenant was directed to do the same by 24 February 2025 and the landlord was given until 3 March 2025 for his response thereto.
- 5. On 26<sup>th</sup> February 2025 the Tribunal wrote to the parties confirming details for an inspection to take place on 31 March 2025.
- 6. Both parties took the opportunity to make submissions.
- 7. In consideration of the Market rental value of the subject property, the Tribunal has taken into consideration all documentation before it, including various letters and any reply forms returned by the parties.
- 8. In correspondence, the tenant states that the property suffers from damp providing photographs of leaking from a ceiling and extensive mould and fungus. The leak understood to be historic.
- 9. In the tenant's Reply form the tenant confirmed that they did not require a hearing but that they did wish the Tribunal to inspect the property.
- 10. The tenant says that the property does not benefit from central heating but does have double glazing and that carpets, curtains and white goods were provided by the landlord. The tenant confirms that there is no garage or parking space and say that they have improved the property by filling mouse holes, gaps under doors,

they have bought electric heaters to enhance heating, removed mould and cleared blocked drains.

- 11. By way of letter dated 10 February 2025 the landlord confirms that the landlords of the property are, in fact, White Lloyd Limited.
- 12. By way of evidence within paragraph 13 they state "... senior branch manager, Scott Matthews, considers that the property if on the market today would attract a rental value of £1,200.00 per month which is £150.00 more than the landlord's proposed Notice".
- 13. In the landlord's Reply form the landlord states that they require neither an inspection nor a hearing. They say that the property does have central heating, double glazing and they confirm that they have included carpets, curtains and white goods. They say that the property does have the benefit of a parking space to the front.
- 14. The landlord lists a number of improvements to bathroom and kitchen areas, and these are all taken into consideration by the Tribunal but were believed to be maintenance and repair items and not improvements.
- 15. On 17<sup>th</sup> April 2025, based on paper submissions and without a hearing, the Tribunal determined the Market rent of the above property at £990.00 per month.

## <u>Hardship</u>

16. No submissions on hardship were received by the Tribunal.

#### **Inspection**

- 17. In accordance with the Tribunal's letter dated 26<sup>th</sup> February 2025, the Tribunal duly attended the property at the specified time.
- 18. After numerous attempts to make contact by ringing all doorbells (some unnumbered) surrounding the front door and following an attempt by the case officer to make contact by phone, no access to the building was obtained and attempts to inspect the property had to be aborted without an internal inspection taking place.

## Post inspection

- 19. Following a review of the papers and as detailed above, it became apparent that there was conflicting evidence given by the parties on the issue of whether or not the subject property benefited from central heating.
- 20. As this was a material consideration in assessing the market rent of the property and the Tribunal had had neither an opportunity to inspect the property nor question the parties in person on this matter the Tribunal wrote to the parties to provide an opportunity for them to make further representations.
- 21. Further submissions were sent by both parties.
- 22. In a letter dated 10<sup>th</sup> April 2025 Jody Bonser of Connells Group on behalf of the Landlord chose to address the Tribunal on the circumstances relating to access at the date of inspection and the history of reports of disrepair to the heating system rather than the issue itself, whether the property was centrally heated.
- 23. In a letter dated 10<sup>th</sup> April 2025 the tenant refers specifically to the heating system as electric heaters and provides photographs which the Tribunal found most useful.
- 24. The tenant submits that the electrical heaters are economically inefficient and fail to provide sufficient heat. Jody Bonser for the landlords' states that her client has not received any complaints about the heating through their repair portal.
- 25. From the evidence provided the Tribunal concludes that the property does not have 'central heating' in the commonly understood meaning of the word but does benefit from electric wall mounted radiators.

## The Law

26. When determining a market rent in accordance with the Housing Act 1988 Section 13 regard must be had to all of the circumstances (other than personal circumstances) including the age, location and state of repair of the property, matters contained within the rent, repairing obligations, etc. This means that issues such as the tenant's ability to pay the rent or bills associated with the property are not a consideration for the Tribunal in assessing the rent.

#### **Valuation**

- 27. Following consideration of the written and photographic submissions given by both parties and taking into account the Tribunal's external inspection and using its own knowledge and experience of the rental market in the Croydon area, the Tribunal finds that the market rental value of the property, if it was in good condition, would be £1,100.00 per month.
- 28. Taking into account the lack of modernisation and the general disrepair, the Tribunal considers it necessary to adjust that market rental value to reflect specifically the following:
  - i) There is limited heating within the property.
  - ii) Evidence of mould and fungus within the property.
  - iii) General lack of maintenance as described.
- 29. Taking these and other more general factors into consideration, the Tribunal finds that it is necessary to make a 10% deduction in the market rental value of the property to reflect its condition and lack of modernisation.

#### Valuation Calculation

|     | Adjusted rent                                     | £990.00 per month   |
|-----|---|---------------------|
|     | Deduction for adjustments detailed above $10\% =$ | £110.00 per month   |
| 30. | Open market rent                                  | £1,100.00 per month |

The Tribunal therefore determines that the market rental value of the property should be set at a figure of **£990.00 per month.** 

Chairman: J. A. Naylor FRICS FIRPM

#### Valuer Chairman

Date: 17 April 2025

# ANNEX OF RIGHTS FOR MARKET RENTS

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 might 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 this case.

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. Any appeal in respect of the Housing Act 1988 should 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).