

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : LON/00BC/MNR/2025/0669

Property 54 Hastingwood Court, Youngs Road,

Ilford, Essex IG2 7LF

Applicant (Tenant) : Mr Stephen Ilo

Representative : None

Respondent (Landlord) : Mrs Satvinder Flore

Representative : None

Type of application : Section 13(4) Housing Act 1988

Mr D Jagger MRICS

Tribunal members : Mr L Packer

Hearing Venue : 10 Alfred Place London WC1E 7LR

Date of Reasons : 27 May 2025

REASONED DECISION

Decision of the tribunal

Having heard evidence and submissions from the parties, considered all the documentation provided and inspected the property, the Tribunal determines that the rent that the property in its current condition as at 1 February 2025 might reasonably be expected to achieve under an assured tenancy is £1,487.50 per month.

Background

- 1. The tenant has lived in the property as assured periodic tenant since 2017. Following the landlord's purchase of the property at auction, a tenancy agreement was provided by the Landlord which was for a period of 12 months commencing on the 1 May 2022 at a monthly rent of £1,200 per month.
- 2. On 18 November 2024 the landlord served a notice pursuant to section 13(2) of the Housing Act 1988 seeking to increase the rent from £1,400 per month to £1,800 per month, being an increase of £400 per month, effective from 1 February 2025.
- 3. By an application dated 20 January 2025, the tenant referred that notice to the Tribunal for a determination of the market rent. The Tribunal issued Directions for the conduct of the matter on 27 March 2025.
- 4. These reasons address in summary form the key issues raised by the parties. They do not recite each point referred to in submissions but concentrate on those issues which, in the Tribunal's view, are fundamental to the determination.

The Evidence

- 5. The Tribunal has before it a bundle of evidence which includes a background to the case, the application, the Directions, the tenancy agreement, witness statements, completed reply statements on behalf of the landlord and tenant. Photographs showed disrepair and mould. The landlord submitted details of comparable lettings in the general area which ranged from £1,750pcm through to £2,100 pcm. In addition there were 3 letters from letting agents who recommend an average proposed rental range of £1,600pcm-£1,850pcm, although the landlord confirmed that the agents had not inspected the property.
- 6. The tenant for his part, undertook research to establish the rent payable by other tenants in the block. This is commendable, however the tenants

did not provide witness statements, nor attend to give evidence. Thus limited weight can be placed on this rental evidence. Further, it was not possible to establish when those rents had been set. Also, as the landlord noted, the other landlords concerned could have chosen to set their rents at below market rate.

The Hearing

- 7. The hearing took place at 9.30am on the 27 May 2025 and was attended by Mr Ilo, and Mr Flore who represented his wife.
- 8. At the hearing each party was provided with the opportunity to outline their respective cases. The supporting documents set out a chronology of events and the condition of the property which on the whole is generally agreed between the parties and the Tribunal does not propose to provide the details in this decision. The parties were asked by the Tribunal to focus on the matters which affect rental value.

The Tenant's Case

9. The property was let unfurnished and over the years the property now requires refurbishment and decoration. The tenant states he is struggling to pay the existing rent due the ongoing cost of living crisis. Therefore, he is of the opinion the maximum rent should be £1450 per month.

The Landlord's Case

10. The landlord contends that the comparable evidence provided in his statement provide verification that a rent increase to £1800 is correct in the current market and is within the centre of the range of comparable evidence. The landlord stated that due to current increases in monthly mortgage rates and the rent arrears he needs to subsidise the current monthly rental (this, however, not being a matter which can enter into the Tribunal's decision).

Inspection

- 11. The Tribunal inspected the property following the hearing on the afternoon of 27 May 2025 in the presence of the tenant. The property is a purpose built second floor flat which forms part of a three-storey block built in 1984 with a pitched and tiled roof and brick and tile hung elevations. The property is located in an established mixed residential area adjacent school premises, close to local amenities and Newbury Park underground station.
- 12. The accommodation comprises: one medium and one small bedroom, living room, kitchen, bathroom/wc. The windows are double glazed and

there are basic electric panel heaters. The kitchen is within the living room, with no separate ventilation. The common entrance is secure, and the hall and staircase are clean and tidy.

The Law

13. The rules governing a determination are set out in section 14 of the Housing Act 1988. In particular, the Tribunal is 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, subject to disregards in relation to the nature of the tenancy (i.e. it being granted to a "sitting tenant") and any increase or reduction in the value due to the tenant's improvements or failure to comply with the terms of the tenancy. In the absence of any evidence to the contrary, the Tribunal has proceeded on the basis that the landlord is responsible for repairs to the structure, exterior and any installations pursuant to section 11 of the Landlord and Tenant Act 1985 and the tenant for interior decoration.

The Valuation

- 14. Having carefully considered all the evidence the Tribunal considers that the rent that would be achieved a good marketable condition with reasonably modern kitchen and bathroom fittings, modern services, carpets, curtains and white goods supplied by the landlord would be £1,750 per month. This figure is based upon the comparable evidence provided by the landlord, and the Tribunal's professional judgement and experience of rental values in the Newbury Park area.
- 15. Next, the Tribunal needs to adjust that hypothetical rent of £1,750 per month to allow for the dated and damaged kitchen and bathroom fittings, mould to walls and ceilings, basic decorations, uneven flooring and cracked tiles, basic electric panel heating system, no white goods supplied by landlord. All in all, the property requires significant refurbishment and redecoration.
- 16. The Tribunal has considered very carefully the information provided by the tenant and the findings during the inspection. Using its own expertise, the Tribunal considers that a deduction of 15% should be applied in order to take account of the above matters. This provides a deduction of £262.50 per month from the hypothetical rent. This reduces the figure to £1,487.50 per month.
- 17. It should be noted that this figure cannot be a simple arithmetical calculation and is not based upon capital costs but is the Tribunal's estimate of the amount by which the rent would need to be reduced to attract a tenant.

- 18. During the hearing when questioned by the Tribunal the tenant made an application to the Tribunal under s14(7) This provision allows the Tribunal to defer the date of increase to the date of determination if it appeared to the Tribunal that it would cause hardship to the tenant. The tenant confirmed he works as a supply teacher and has joint responsibility for his two children, and that an increase in rent would cause significant hardship. The Tribunal has considered this request and on the balance of the evidence provided, the conclusion of the Tribunal is that there is insufficient substantiation to show such undue hardship
- 19. Therefore, the Tribunal directs the new rent of £1,487.50 per month to take effect on the 1 February 2025. This, being the date of the landlord's notice.

D Jagger MRICS Valuer Chair 27 May 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 First-tier Tribunal at the regional office which has been dealing with the 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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).