

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : HAV/00MW/MNR/2025/0644

35 York Street

Property : West Cowes
Isle of Wight

**PO317BS** 

**Applicant Tenant** : Mr W C Arnold

**Representative** : None

Respondent Landlord : Mr M Luter

Representative : None

Determination of a Market Rent -

Type of Application : sections 13 & 14 of the Housing Act 1988

Tribunal Members : Mr J G G Wilson MRICS

**Mr N I Robinson FRICS** 

Judge I M Arrow

Date of Application : 12 March 2025

Date of Decision : 19 May 2025

#### **DECISION**

On 19 May 2025 the Tribunal determined a market rent of £212 (Two Hundred and Twelve Pounds) Per Week to take effect from 16 April 2025.

#### REASONS

# **Background**

- 1. By way of an application received by the Tribunal on 13 March 2025 (dated 12 March), the Applicant ("the tenant") of 35 York Street, West Cowes, Isle of Wight, PO31 7BS (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 6 March 2025, proposed a new rent of £200 per week in lieu of a passing rent of £164 per week, to take effect from 16 April 2025.
- 3. The tenant has occupied the property under an assured tenancy from its term start date of 18 June 2003.
- 4. The Tribunal issued Directions dated 11 April 2025 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 party to present the issues.
- 6. The Directions required the landlord and the tenant to submit their completed Rent Appeal Statements ("Statement") to the Tribunal by 25 April 2025 and 9 May 2025 respectively, with copies to be sent to the other party. Both the landlord and the tenant submitted a Statement. Both Statements were given in accordance with the timings in the Directions. Mr Luter has provided the Tribunal with photographs and a sketch vertical section of the property to support his case.
- 7. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 19 May 2025 based on the tenant's application under section 13(4) of the Housing Act 1988, the two Statements 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, 35 York Street is a terrace house on part lower ground (rear), ground and two upper floors. The property is of traditional brick construction with a low-pitched tiled roof.
- 9. York Street runs in a north/southerly direction and is located to the south of Cowes Sailing Marina. The Ferry terminal is on the other side of River Medina in East Cowes, accessed via the floating bridge.
- 10. From the sketch plan provided in the landlord's Statement, the accommodation comprises and is arranged as follows: ground floor reception room and bathroom/WC, part lower ground floor (rear) kitchen with access to the small

rear garden with shed, first floor – two bedrooms and second floor – one bedroom.

### The Tenancy Agreement

- 11. The tenancy agreement is for an initial term of one year (12 months) from 18 June 2003. The rent is £46 per week, payable every 4 (four) weeks.
- 12. At the expiration of the fixed term, the tenancy has continued as a periodic tenancy in accordance with the Housing Act 1988 (as amended).
- 13. The tenant covenants, inter alia, to pay the rent, to pay the charges for Council Tax and Utilities and other relevant suppliers, not to leave the property unoccupied for more than 14 days without notifying the landlord, for all internal decorations, and to yield up the property at the end of the tenancy in the same clean state and condition as it was in at the beginning of the tenancy and make good and pay for the repair of and/or replace all such items of the Fixtures, Fitting and Effects as shall be broken, lost, damaged or destroyed during the tenancy (reasonable wear and tear and damage by fire excepted). The tenancy agreement is silent with respect to the tenant being required to give notice to quit (terminate).
- 14. Similarly, the landlord covenants, inter alia, to provide for quiet enjoyment, for all external decorations and the tenancy agreement shall take effect subject to the provisions of sections 11 to 16 of the Landlord and Tenant Act 1985.
- 15. Whereas the tenancy agreement, in effect, provides for its continuation as a periodic tenancy and there is provision for the rent payable either to be increased or to be decreased, there is no mechanism to review the same.

#### **Submissions**

- 16. Mr Luter submitted his Statement dated 18 April 2025 and copied the same to the tenant the same day.
- 17. Mr Luter outlines the accommodation, has drawn a sketch in vertical section and has provided a selection of both internal and external photographs of the property. Whereas Central Heating and Double Glazing are provided by the landlord, Carpets (floor coverings) and Curtains and White Goods are provided by the tenant.
- 18. In addition, under 'Features' and 'Improvements' Mr Luter says the house was refurbished in 2009, to include: re-wiring, re-plumbing, re-decoration, installation of a garden shed, new gas-fired central heating and hot water, new bathroom suite and a new kitchen. The double-glazing was fitted in 2004.
- 19. Under 'Condition of the property...Disrepairs/Defects...', Mr Luter says, 'None that I know of." Mr Luter then goes on to provide information on the property's location and proximity to the amenities of Cowes.

- 20. Under 'Your assessment of the rental value of the property', Mr Luter says £200 per week and provides outline lettings particulars of two terrace houses to let on York Street: (1) a three-bedroom at £1,100 per calendar month, and (2) a two-bedroom at £995 per calendar month.
- 21. Mr Arnold's Statement is dated 22 April 2025 (received by the Tribunal 24 April 2025). Mr Arnold says he has not sent a copy of his Statement to the landlord.
- 22. Mr Arnold says the accommodation comprises and is arranged as follows: basement kitchen, ground floor reception room and bathroom, first floor one large bedroom and one small bedroom, second floor attic room. Accordingly, there is a discrepancy between the parties' descriptions of the accommodation in the property.
- 23. Whereas the balance of the Features of the property described by Mr Luter in his Statement are confirmed by Mr Arnold in his; Mr Arnold limits the double-glazing to 'partial' and omits the provision of the shed in the garden.
- 24. Mr Arnold is silent on 'Improvements' and under 'Condition of the property...' says, 'Fair."
- 25. Under 'Your assessment of the rental value of the property', Mr Arnold says all furnishings have been provided by him (the tenant) and that he (the tenant) is responsible for the internal decorations.

#### 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 which is attributable to the 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 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.
- 28. 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.

- 29. Whereas both parties have given a Statement, only Mr Luter has provided comparable lettings to support his case and for the Tribunal to consider. Both the comparable lettings to which Mr Luter has referred to the Tribunal are houses in the subject street.
- 30. Having considered the comparable evidence provided and of its own expert, general knowledge of rental values in the area, the Tribunal determined that the market rent for a typical three-bedroom house on York Street in good tenantable condition would be £1,100 (One Thousand One Hundred Pounds) per Calendar Month.
- 31. In paragraphs 22 and 23 the Tribunal has identified discrepancies in the description and features of the property given by the parties. The Tribunal addresses these first. From the photographs and sketch vertical section of the property provided by Mr Luter, the Tribunal has determined the landlord's description of the property is that to be adopted. In addition, the fenestration has double glazing (Tilt & Turn windows) and there is a shed in the garden.
- 32. Nevertheless, the Tribunal has determined adjustments are required to its determination of the market rent of a typical three-bedroom house on York Street, as follows.
- 33. Firstly, from the photographs and sketch vertical section provided in the papers, the property is part lower ground floor (rear), is comparatively narrow, is over four floors, with the bathroom/WC on the ground floor. An adjustment is required to reflect the property's design, number of floors and layout (Physical factors).
- 34. Secondly, the tenant's provision of Carpets (floor coverings) and Curtains.
- 35. Thirdly, the tenant's provision of the White Goods.
- 36. Fourthly, the tenant's internal decorations' obligation.
- 37. The Tribunal's valuation is shown below:

Market rent of a typical three-bedroom house on York Street (£ PCM) - £1,100

Less deductions (£ PCM) for:

Physical factors of the property	£50
Carpets (floor coverings) and Curtains	£50
White Goods	£30
Internal decorations	<u>£50</u>
	£180

Market rent (per calendar month) £920

38. 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 £920 (Nine Hundred and Twenty Pounds) per Calendar Month, an equivalent £212 (Two Hundred and Twelve Pounds) per Week, when rounded to the nearest Pound.
- 39. In neither his application nor his subsequent Statement has Mr Arnold given any submission to the Tribunal that the starting date for the new rent specified in the landlord's notice would cause him undue hardship.
- 40. Accordingly, the Tribunal directs that the new rent of £212 per Week should take effect from 16 April 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
  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.