

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : LON/00BB/MNR/2024/0699

Property : 4 Conrad House, 19 Wesley

Avenue, London E16 1TD

Tenant : Mr Digant Dave

Landlord : Mr Jayesh Modhwadia

Date of Objection : 30 October 2024

Type of Application : Determination of a Market Rent

Sections 13 & 14 of the Housing

Act 1988

Tribunal : Mrs S Phillips MRICS Valuer

Chair

Mr J Francis

Date of Reasons : 16 July 2025

DECISION AND REASONS

The Tribunal determines a rent of £2,050 per calendar month with effect from 1 November 2024.

© CROWN COPYRIGHT 2023

REASONS

Background

- 1. By an application dated 30 October 2024, Mr Digant Dave, the tenant of 4 Conrad House, 19 Wesley Avenue, London E16 1TD (the subject property) referred to the First-tier Tribunal (the Tribunal) a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988 (the 1988 Act).
- 2. The Landlord, Mr Jayesh Modhwadia, served a notice proposing an increase in the rent. The notice proposed an increase in the rent from £700 per month to £2,500 per month. The notice was dated 20 September 2024 and proposed a starting date for the new rent of 1 November 2024.
- 3. Originally there were three applications that the Tribunal had been presented with in this matter, each relating to different tenancy periods and Notices of Increase for each. This raised a point as to whether the Tribunal had jurisdiction to deal with these.
- 4. A decision on jurisdiction was issued 23 January 2025 which the Tenant sought permission to appeal for, which was denied. The Upper Tribunal subsequently refused permission to appeal as well. The Tribunal issued Directions instructing the parties to provide all relevant information and submissions upon which they wished to rely in this appeal. The matter was then listed for a hearing on 30 June 2025 following a postponement from the original date of 26 June 2025.
- 5. No inspection of the property was made, and the Tribunal has made its findings on the evidence provided to it and that provided at the hearing.

The Law

- 6. In accordance with the terms of section 14 of the 1988 Act, the Tribunal proceeded to determine the rent at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.
- 7. In so doing the Tribunal, as required by section 14(2), ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in sections 14(2) and (3) and any reduction in the value caused by a failure by the tenant to comply with any terms of the tenancy. Section 14 is reproduced at the end of these reasons.
- 8. In respect of this case, section 16 of the 1988 Act is also relevant and this states:

"It shall be an implied term of every assured tenancy that the tenant shall afford to the landlord access to the dwelling-house let on the tenancy and all reasonable facilities for executing therein any repairs which the landlord is entitled to execute."

The Hearing and the Evidence

- 8. Prior to the Tribunal progressing with the hearing, the Chair made it clear that this hearing related to the assessment of the rent in connection with the final Notice of Increase dated 20 September 2024 with effect from 1 November 2024 which referenced an existing rent of £700 per month.
- 9. The Tribunal acknowledged that there had been a lot of history and challenges to the notices of increase related to this property. However, the jurisdiction decision dated 23 January 2025 that was issued by Mrs Ratcliff provide clarification for all parties the narrow matter which this Tribunal would be determining.
- 10. As the Landlord had provided notice to terminate the tenancy agreement from 1 September 2024 and the tenant had remained in occupation until June 2025, the tenancy had become a statutory periodic tenancy. The Tribunal therefore had jurisdiction to determine the subsequent rent for the Notice of Increase issued on 24 September 2024.

Tenant's Submissions

- 11. The Tenant was asked to direct the Tribunal to any evidence or submissions on the assessment of rent for the property. However, the Tenant continued to attempt to explain the history and background of the case despite the Tribunal making it clear that this was not before it for determination today and would not be considered for the purposes of the rent determination.
- 12. The Tenant did submit that the Landlord had the right to have requested the market rent previously and because they had not decided to apply the market rent historically, they should now not be allowed to.
- 13. When asked what the Tenant felt the market rent for the property should be, he quoted the figure of £700 per month.
- 14. The Tenant then went on to advise that due to him being on Universal Credit, he would not be able to afford any increase.
- 15. The Tenant provided written submissions and documents to the Tribunal in relation to the condition of the property. The Tenant advises that the Landlord has not invested into the property and despite the Tenant saying about the dirty carpet nothing has been done about this. Also, that the property is in urgent need of decorating.

Landlords' Submissions

- 16. At the hearing the Landlord explained that he regularly sought advice from agents on the market rent for the property. In 2015 Foxtons advised a market rent of £1,500 per month and then in 2016 they recommended a rent of £1,885 per month.
- 17. With regards to the assessment of the market rent for the period to be determined by this Tribunal, Foxtons produced another report which indicated a market rent of £2,500. The Landlord confirmed that this had not been submitted to the Tribunal as evidence. However, there was a report from John & Co., another local agent, who advised a range of between £2,300 and £2,400 per month.
- 18. In the written submissions provided by the Landlord to the Tribunal, there was an acknowledgement that as the Landlord had been unable to gain access the condition of the property was unknown. At the hearing, the Landlord was able to confirm that he now had possession of the property (5 June 2025) and had reviewed the condition. The property has experienced wear and tear e.g., dirty carpets as reflected in the documentation received by the Tribunal.

Inspection

19. The Tribunal did not inspect the property but considered the case on the basis of the papers and submissions provided by the parties.

Determination and Valuation

- 27. The Tribunal initially needs to determine what rent the Landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such an open market letting. In doing this, the Tribunal will consider the rental value of the property but must not consider the personal circumstances of the Tenant, as that is not a factor envisaged by the Act.
- 28. The rental report provided by the Landlord was useful in assisting the Tribunal in reaching its decision. Together with the Tribunal's own general expert knowledge of rental values in the area, the Tribunal has therefore determined a market rent of £2,150 per calendar month for the subject property as of September 2024 (the time that the Notice of Intention was issued by the Landlord).
- 29. Next, the Tribunal considered if there were any elements in the subject property that needed to be considered and reflected via adjustments to the market rent. From this level of rent we have made adjustments in relation to no provision of white goods, no curtains, the mould and damp issues and the loose banister.

30. The full valuation is shown below:

Per calendar month
Market Rent £2,150

Less

Minor disrepair) 5%

£107.50 £2,042.50

Say £2,050

Hardship

- 31. Under section 14(7) of the 1988 Act, the Tribunal has a discretion to fix the starting date for the new rent from any point in time between the date set out in the notice of increase to the date that the rent is determined, if it appears to the Tribunal that the increase in rent would cause undue hardship to the tenant.
- 32. Whilst the Tenant has stated that he is on Universal Credit and that he would not be able to afford any increase, no evidence was provided to the Tribunal on any of these points.

Decision

33. The Tribunal determine that the market rent for the subject property is £2,050 per calendar month. This is effective from 1 November 2024 being the date specified on the Landlord's notice.

Chairman: Mrs S Phillips MRICS Date: 16 July 2025

APPEAL PROVISIONS

If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be made within 28 days of this decision (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013. Any appeal in respect of the Housing Act 1988 should be on a point of law.

ANNEXE

Housing Act 1988

14.— Determination of rent by tribunal.

- (1) Where, under subsection (4)(a) of section 13 above, a tenant refers to the appropriate tribunal a notice under subsection (2) of that section, the appropriate tribunal shall determine the rent at which, subject to subsections (2) and (4) below, the appropriate 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.
- (3A) In making a determination under this section in any case where under Part I of the Local Government Finance Act 1992 the landlord or a superior landlord is liable to pay council tax in respect of a hereditament ("the relevant hereditament") of which the

dwelling-house forms part, the [appropriate tribunal] 5 shall have regard to the amount of council tax which, as at the date on which the notice under section 13(2) above was served, was set by the billing authority—

- (a) for the financial year in which that notice was served, and
- (b) for the category of dwellings within which the relevant hereditament fell on that date,

but any discount or other reduction affecting the amount of council tax payable shall be disregarded.

- (3B) In subsection (3A) above—
- (a) "hereditament" means a dwelling within the meaning of Part I of the Local Government Finance Act 1992,
- (b) "billing authority" has the same meaning as in that Part of that Act, and
- (c) "category of dwellings" has the same meaning as in section 30(1) and (2) of that Act.
- (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] 6 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.
- (5) Where any rates in respect of the dwelling-house concerned are borne by the landlord or a superior landlord, the [appropriate tribunal] 7 shall make their determination under this section as if the rates were not so borne.
- (6) In any case where—
- (a) the appropriate tribunal have before them at the same time the reference of a notice under section 6(2) above relating to a tenancy (in this subsection referred to as "the section 6 reference") and the reference of a notice under section 13(2) above relating to the same tenancy (in this subsection referred to as "the section 13 reference"), and
- (b) the date specified in the notice under section 6(2) above is not later than the first day of the new period specified in the notice under section 13(2) above, and
- (c) the appropriate tribunal propose to hear the two references together,
- the appropriate tribunal shall make a determination in relation to the section 6 reference before making their determination in relation to the section 13 reference and, accordingly, in such a case the reference in subsection (1)(c) above to the terms of the tenancy to which the notice relates shall be construed as a reference to those terms as varied by virtue of the determination made in relation to the section 6 reference.
- (7) Where a notice under section 13(2) above has been referred to the appropriate tribunal, then, unless the landlord and the tenant otherwise agree, the rent determined by the appropriate tribunal (subject, in a case where subsection (5) above applies, to the addition of the appropriate amount in respect of rates) 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 appropriate tribunal that 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 the committee may direct.
- (8) Nothing in this section requires the appropriate tribunal to continue with their determination of a rent for a dwelling-house if the landlord and tenant give notice in writing that they no longer require such a determination or if the tenancy has come to an end.
- (9) This section shall apply in relation to an assured shorthold tenancy as if in subsection
- (1) the reference to an assured tenancy were a reference to an assured shorthold tenancy.