



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

Case Reference : BIR/00CN/MNR/2021/0037

Property : 25 Hollywell Road, Birmingham, West Midlands, B26 3BS

Applicant : Miss Anna Liszka

Respondent : Miss Silviya Genovska

Type of Application : Appeal against a Notice proposing a new rent under an Assured Periodic Tenancy under section 13(4) of the Housing Act 1988

Tribunal Members : Mr I.D. Humphries B.Sc.(Est.Man.) FRICS
Mr D. Douglas

Date and Venue of Hearing : Video Hearing on 12th October 2021.

Date of Decision : 12th October 2021

Date Decision issued : 26th October 2021

REASONS FOR DECISION

- 1 The rent is determined at £450.00 (Four Hundred and Fifty Pounds) per month from 15th August 2021.

REASONS

Introduction

- 2 The tenant, Miss Genovska, holds a monthly assured tenancy of a double bedroom at No. 25 Hollywell Road, Sheldon, Birmingham, West Midlands, B26 3BS, she has rented since 10th June 2019.
- 3 On 13th July 2021 the landlord served notice of increase under section 13(2) of The Housing Act 1988 proposing a rent of £650.00 / month to take effect on 15th August 2021. The proposed rent included £80/month for Council Tax, £20/month for water rates and £100/month for fixed service charges.
- 4 On 26th July 2021 the tenant applied for the rent to be determined by the First-tier Tribunal Property Chamber.
- 5 On 12th October 2021 the Tribunal inspected the property and determined the rent at £450.00 per month from 15th August 2021.
- 6 On 18th October 2021 the Tribunal received a request for Reasons from the landlord.

The Law

- 7 Section 14 of The Housing Act 1988 states:

'(1) Where, under subsection (4)(a) of section 13 above, a tenant refers to a rent assessment committee a notice under subsection (2) of that section, the committee shall determine the rent at which, subject to subsections (2) and (4) below, the committee 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;...'*

'(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 the immediate landlord ...*

- 8 The jurisdiction of the Rent Assessment Committee was transferred to the First-tier Tribunal (Property Chamber) from 1st July 2013.

Facts Found

- 9 The Tribunal inspected the property on 12th October 2021.
- 10 The property comprises the left hand side of a pair of semi-detached houses in a well established residential area of Sheldon, east Birmingham.
- 11 The property comprises shared accommodation of a hall, breakfast area and kitchen with stairs to a landing and bathroom. The tenant has exclusive possession of a double bedroom at the front of the house.
- 12 The bedroom furniture provided by the landlord comprises a double bed, two bedside cabinets and a wardrobe.
- 13 The house has central heating and double glazing and the landlord provides shared use of white goods. There is a shared parking area to the front.

Submissions

- 14 The Applicant's Submission
The Applicant provided details of four comparable properties offering shared accommodation in the same general area, all with bills included advertised on the internet:
 - 1 House Share near Birmingham Airport, B33
A double room advertised at **£430** pcm or double with en-suite for £330 pw.
Described as 'furnished to a high standard' with utility bills included in the rent.
 - 2 Flat Share near Birmingham Airport, B26
A double room advertised at **£555** pcm with en-suite.
Described as a 'centrally heated detached house. Very quiet location' with bills included in the rent.
 - 3 House Share, Sheldon, B26
A double room advertised at **£425** pcm in an extended 1960s semi-detached house. The house has a shared living room, furnished with parking available.
Described in the on-line advert as '3 bedrooms including an en-suite' with bills included in the rent.
 - 4 House Share, Sheldon, B33
A double room advertised at **£450** pcm or single for £330 pw.
The property has a new kitchen, new bathroom, new central heating system and is fully furnished. The bills are included in the rent.
- 15 The Applicant also said it was not always possible to park at the front of the property because other vehicles were using the space.
- 16 The Respondent's Submission
The Respondent requested an increase to cover the increasing cost of providing services and Council Tax. The bills have increased over the previous two years.
- 17 In respect of the parking, the Respondent pointed out that there was also street parking generally available.

Decision

- 18 The Tribunal took account of the location, accommodation and condition of the property together with the parties' written submissions and video hearing evidence before reaching its decision.
- 19 Regarding the parking, the Tribunal noted that there was a parking area at the front and street parking in the area, although tight.
- 20 The crux of the dispute is that the bills had increased since 2019 which was not disputed.
- 21 The landlord, Mis Liszka, asked for the rent to be increased in line with the cost of services but the Tribunal finds the amount paid by the tenant will not necessarily increase, it depends on the market. The rent of rooms in shared houses is demand led, in other words, there is a maximum figure a tenant will pay for a room in a shared house including bills and the amount depends on the cost of renting alternative comparable property.
- 22 Miss Genovska demonstrated that there were other houses in the same general area where it was possible to rent rooms offering similar accommodation for rents of £425-450 per month including bills, or £555 per month if an en-suite were included.
- 23 The accommodation at the subject house is well furnished but limited; there is no shared living room, the breakfast area is a walk-through area next to the kitchen and there is no en-suite, so the accommodation to let elsewhere with an en-suite (property no.2 above) is less comparable than the others referred to above.
- 24 It makes no difference to a tenant how the amount paid is calculated; it may include 70% rent and 30% bills or 30% rent and 70% bills, the result is the same. It is unfortunate for a landlord if the cost of bills increases because the rental element has to decrease to compensate, but if the overall figure were increased to cover the increased cost of utilities the overall rent would be out of line with the market. It would no longer be a market rent.
- 25 In this case, having considered the evidence, the Tribunal finds the amount payable, i.e. the rental value including bills, to be £450 per month in line with the rents of comparable properties, which, bearing in mind the evidence, happens to be the same achieved on letting in 2019.
- 26 Accordingly, the Tribunal determines the rent under section 14 of The Housing Act 1988 at £450.00 (Four Hundred and Fifty pounds) per month with effect from 15th August 2021.

I.D. Humphries B.Sc.(Est.Man.) FRICS
Chairman

Appeal

If either party is dissatisfied with this decision an application may be made to this Tribunal for permission to appeal to the Upper Tribunal, Property Chamber (Residential Property) on a point of law only. Any such application must be received within 28 days after the decision and accompanying reasons have been sent to the parties (Rule 52 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).