



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

**Case Reference** : **CHI/43UE/MNR/2019/0006**

**Property** : **The Bungalow, Ahed Depot,(Gatwick Business Park, Kennel Lane), Reigate Road, Hookwood, Horley, Surrey RH6 0HF**

**Tenant** : **Mr. Gregory Corey**

**Landlord** : **Not known**

**Represented by** : **White & Sons**

**Type of Application** : **Rent determination in accordance with Section 14 Housing Act 1988 (as amended)**

**Tribunal Members** : **Mr. R. A. Wilkey FRICS (Surveyor/Chairman)  
Mr. B. H. R. Simms FRICS (Valuer Member)**

**Date of Inspection** : **Tuesday 30 April 2019  
No Hearing - paper determination**

**Date of Decision** : **Tuesday 30 April 2019**

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**DECISION AND REASONS**

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## **Background**

1. On 4<sup>th</sup> February 2019 the Landlord served a notice under Section 13(2) of the Housing Act 1988 (as amended) which proposed a new rent of £960 per month in place of the existing rent of £840 per month to take effect from 1<sup>st</sup> April 2019.
2. The Tribunal received an application dated 24<sup>th</sup> February 2019 from the Tenant under Section 13(4) (a) of the Housing Act 1988. The Application states that electricity, water and sewage are provided by the Landlord and included in the rent.
3. Directions for the conduct of the matter were issued by the Tribunal Office on 12<sup>th</sup> March 2019 and, amongst other things, the parties were advised that the determination will be made on the written representations unless a request for an oral hearing is made within fourteen days
4. Neither party made a request for an oral hearing and the matter was determined on the basis of a paper determination.

## **Inspection**

5. The Tribunal Members inspected the property on Tuesday 30<sup>th</sup> April 2019 in the company of the tenant, Mr. Corey. The landlord had been informed of the inspection but was not present or represented.
6. The property is a detached bungalow which was probably built about 1925. There are gardens on all sides but no on-site parking and parking on nearby estate roads is regulated and very restricted. The property is within Gatwick Business Park which is a development of industrial units. Access is by way of a shared drive and double gates at the entrance to the Park. These gates are locked from time to time but there is a separate side pedestrian access to the bungalow.
7. The main roof is pitched and covered with tiles. The elevations are brick. Windows are single glazed, timber sash type and probably original. The building is generally in need of repair and upgrading and, by way of illustration, the tribunal noted (a) several fencing panels are missing/defective (b) Paint is flaking to several external surfaces (c) Attention

is required to parts of the main roof covering (d) The bathroom and WC fittings are insanitary (e) There is limited provision of basic kitchen units. This is not intended to be an exhaustive list of defects.

8. The accommodation comprises entrance hall, three bedrooms, bathroom, separate WC, kitchen and living room.
9. The landlord appears to have carried out minimal work in recent years. There is no central heating. Space heating is provided by independent electric units supplied by the tenant. Hot water is provided by an electric immersion heater fitted to a pre-insulated hot water storage cylinder within a cupboard in the living room. The tenant advised that he has experienced no problems with the electrical installation. There is no mains gas supply.
10. The tenant has supplied floor coverings, curtains and white goods.
11. The Tribunal has not been supplied with a copy of any Tenancy Agreement and the application by the tenant states that there is no tenancy agreement. Other than the observations by the tenant as part of the application to the tribunal (see later) neither party has made any observations upon the repair and decorating liabilities.
12. The Tribunal is aware that a fair rent of £840 per calendar month was registered with effect from 14<sup>th</sup> June 2017. This rent included an amount of £100 per month in respect of fuel charge. The Registration stated that the landlord is responsible for repairs and external decorations and that the tenant is responsible for internal decorations. - Subject to Section 11 Landlord and Tenant Act 1985. It is reasonable to assume that the Rent Officer had access to the original tenancy agreement.

### **Evidence and representations**

13. The tenant has not made any written representations but it is pertinent to extract the following from the application form:
  - (a) The tenant occupies as an Assured periodic Tenant following the death of his mother in 2017.

- (b) Electricity, water and sewerage are provided under the tenancy and included in the rent.
- (c) The landlord is responsible for boiler and plumbing, drains, fences, roofing
- (d) The tenant is responsible for “washers for water taps and ball valves, electric fuses and plugs. Electric sockets. Ceiling roses, brackets and pendants. Flexible electric wiring. Electric bulbs and elements. Drain plugs. Locks, keys and catches. Stays or latches to doors, cupboards and windows. Hat and coat pegs or cords. Window sash cords. Fireplace grate bottoms, stools and frets. Tiling to hearth and surrounds.”

14. The landlord’s agent White & Sons (“Whites”) wrote a letter dated 18<sup>th</sup> March 2019 in support of the proposed rent increase. The following points are extracted therefrom:

- (i) Electricity is provided through the landlord’s check meter and Wights have been advised there are no charges levied for water or sewerage. The approximate cost of electricity based on check meter readings is £159.50 plus VAT per month.
- (ii) If the property was modernised and let on an assured shorthold tenancy then Wights are of the opinion that it would attract, reflecting the provision of electricity, water and sewerage at no cost, a rental of £1,580 per calendar month.

From that Wights have made allowances to reflect its location, the lack of central heating, white goods, carpets, curtains and its unmodernised state together with an increase in the tenant’s repairing obligations compared to an assured shorthold tenancy.

Wights are of the opinion that a deduction of £620 per calendar month (40%) should be made from the comparable AST rent which

results in the rent of £960 per calendar month stated in the notice of increase.

- (iii) In support of their proposal, Wights refer to the comparables which follow. Furniture is not provided but they include white goods and carpets.

9 West Meads, Horley

This is a 1980's detached bungalow in a cul-de-sac on a large development of similar aged properties with three bedrooms and two bathrooms, living room/diner, kitchen and garage. It was let on a 12 month AST in June 2018 at a rent of £1,700 pcm

5 South Lodge Court, Sidlow

This is a modern barn conversion newly refurbished to a high standard in a rural location with two bedrooms, bathroom and open plan living. It was let on a 12 month AST in September 2017 at a rent of £1,295 pcm

The Pastures, Horley Road, Charlwood

This is a two bedroom bungalow, the conversion dating back to the 1930's on the edge of the village in a semi-rural location with an older standard of fittings. It was let on an AST in September 2017 at £1,200 pcm

**The law**

S14 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.

## **Consideration and Valuation**

15. The Tribunal is required to determine the rent at which the subject 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 are not relevant to this issue.
16. In the first instance the Tribunal determined what rent the landlord could reasonably be expected to obtain for the property in the open market if it were let today on the terms and in the condition that is considered usual for such an open market letting. The Tribunal considered the comparable provided by the landlord and also relied on its own knowledge and experience of lettings of similar properties and determined that the starting point should be £1,300 per month.
17. However, this rent is on the basis of a letting in good, modernised condition and without the limitations imposed by the location, access and parking restrictions. In addition, further deductions must be made to reflect the fact that the rental bid in present condition would differ from the rent if the house were in good, modernised condition. In order to reflect these considerations, the Tribunal has made a deduction of £330 from the starting point of £1,300 per month to produce an initial adjusted rent of £970 per month.
18. The initial calculation of the market rent is as follows:

Open market rent	£1,300
Less allowance for:	
Floor coverings provided by tenant	£50.00

Lack of central heating	£60.00
General repairs and maintenance	£30.00
White goods provided by tenant	£35.00
Unmodernised kitchen	£50.00
External paintwork in need of renewal	£20.00
Internal decorating liability	£50.00
unmodernised bathroom and WC	<u>£35.00</u>
Total deductions	<u>£330.00</u>

Initial net market rent £970

19. It is then necessary to consider the effect of the location within an industrial estate, restricted access and the lack of parking on site and nearby roads. The tribunal considered that this required a further deduction of £390 resulting in a revised, net market rent of £580.
20. Although the tenant is responsible for payment of Council Tax, the tenancy includes electricity, water and sewerage. The landlord's submissions include a note that the cost of electricity is in the region of £160 a month but the tribunal have not been provided with any further information regarding the cost of water and sewerage. Doing the best we can, we have added a total of £310 to the revised, net market rent to produce a final, net market rent of £890 per month.

### **Determination**

21. The Tribunal therefore decided that the rent at which the subject property might reasonably be expected to be let in the open market by a willing Landlord under the terms of this assured tenancy is £890 per month.
22. Section 14(7) of the Act provides that the starting date for any rent determined by the tribunal is either the date agreed by the parties, the date specified in the notice or, if it appears to the tribunal that there would be undue hardship, any date directed by the tribunal, but no later than the date that the rent is determined. The tenant made no representations in respect of



hardship. Accordingly, the tribunal directs that the new rent of £890 per month will take effect on 1<sup>st</sup> April 2019 being the date specified in the Landlord's notice.

**Chairman:** R. A. Wilkey

**Dated:** **Tuesday 30<sup>th</sup> April 2019**

## **Appeals**

23. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
24. 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.
25. If the person wishing to appeal does not comply with the 28-day 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-day time limit; the Tribunal will then decide whether to extend the time limit, or not to allow the application for permission to appeal to proceed.
26. 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. Any appeal in respect of the Housing Act 1988 should be on a point of law.
27. If the First-tier Tribunal refuses permission to appeal, in accordance with section 11 of the Tribunals, Courts and Enforcement Act 2007, and Rule 21 of the Tribunal Procedure (Upper Tribunal) (Lands Chamber) Rules 2010, the Applicant/Respondent may make a further application for permission to appeal to the Upper Tribunal (Lands Chamber). Such application must be made in writing and received by the Upper Tribunal (lands Chamber) no later than 14 days after the date on which the First-tier Tribunal sent notice of this refusal to the party applying for permission.

