

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : BIR/17UF/MNR/2019/0022

Property : West Broughton Farm, Sudbury

Derbyshire DE6 5HX

Landlord : The Hon Mrs J E Fitzalan Howard

Tenant : Mr P Lannigan

Type of Application: Determination of a market rent under The

Housing Act 1988 Section 14

Tribunal Members : Mrs Anthea J Rawlence MRICS (Chair)

Mrs Kay Bentley

Date of Decision : 1 May 2019

STATEMENT OF REASONS

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Background

- 1. This is an application dated 2 April 2019 to the First-tier Tribunal Property Chamber by the Tenant of the above property Mr P Lannigan under section 13(4) of the Housing Act 1988 ("the Act"), referring a notice served on him by the Landlord The Hon Mrs J E Fitzalan Howard (The Sudbury Estate), proposing a new rent of £1,200.00 per calendar month in place of the existing rent of £1,000.00 per calendar month.
- 2. The Landlord's notice was dated 28 March 2019 and the date inserted in the notice for the commencement of the new rent was 1 May 2019.
- 3. The tenancy under which Mr Lannigan occupies the property is a periodic tenancy which commenced on 1 May 2003.

Inspection

- 4. The Tribunal inspected the Property on 5 February. The Tribunal were accompanied by the Tenant and his wife. The Landlord and her agent were not present.
- 5. The Property is approached from the highway by means of a shared accessway. It is in close proximity to a working farm. There are extensive views to the rear.
- 6. The Property was entered through the kitchen. The downstairs accommodation comprises also a family room, office, utility room, back hall leading to rear stairs and rear door, w.c., principal hall with stairs and door to front porch. There is a cellar.
- 7. The first floor comprises a landing leading to three usable bedrooms, box room, bathroom and dressing room. There is also a disused bedroom with a hole in the ceiling. Additionally, there appears to be a further room above the kitchen which cannot be accessed.
- 8. The rear stairs extend from the first floor to the second floor. The second floor is uninhabitable.
- 9. In the basement are two vaulted cellars.
- 10. The heating source for the property comprises a Clear View wood burner in the kitchen which supplies two radiators one on the ground floor and a second one in the bathroom. The Tenant has supplied an electric heater, storage heater and multi-fuel boiler. There is a storage heater in the office and in the front hallway.
- 11. On the first floor there is a storage heater in one bedroom.

- 12. There is no central heating or double glazing and some of the windows appear ill fitting.
- 13. Generally there is a lack of double sockets and the Tribunal understands that the property was last rewired in the 1990s. The Landlord installed a sub meter in what was the farm office with a modern circuit board added in 2006.
- 14. Externally the property has the benefit of an adequately sized garden. There are two brick built sheds but limited parking.
- 15. The white goods were provided by the Tenant. The Tenant had also provided all the furniture, curtains and carpets.
- 16. The Tribunal noted the following items of disrepair:

General state of windows and doors

Areas of damp in the Kitchen

Damp on wall between ground floor w.c. and office

Defective sub meter in the office

Poor state of repair to rear stairs

Damp in inner hallway

Sloping floor to sitting room

Damp in Dining Room

Damp and poor ceiling to inner hall above the ex farm office

Mould and damp on external in Bathroom

Poor plaster and loose ceiling to first floor landing

Disused bedroom has a hole in the ceiling and damp with plaster missing under the window

The top floor has no electricity and is uninhabitable due to the leaking roof and other items of disrepair

Externally there is a loose gutter and a loose downpipe

The roof above the kitchen has an area of slipped tiles with evidence of water failing to go into the gutter, possible following a valley repair.

Broken manhole cover

Tenant's improvements

17. The Tenant had carried out the following improvements:

Dry lining to lower walls and two extra storage cupboards in kitchen

Lighting in the kitchen

Plumbing for washing machine, shelves and worktop in the utility room

Storage heater and multi fuel boiler in the family room

Cupboard and storage heater in office

Shaving socket in downstairs WC. And new tiled floor

Storage heater in bedroom 1

Shower and tiling in bathroom

Landlord's written representations

- 18. The Landlord's representations, dated 25 April 2019, stated that the agent was aware of the repairs needed to the sub meter and manhole and had offered to visit the property to discuss other repair issues in more detail.
- 19. Details of five farmhouses within a 5 mile radius of the subject property were provided. Three farmhouses were situated on the Sudbury Estate and showed a range of £1,600 to £1,950 rents per calendar month and it is assumed that these rents were all rent reviews.
- 20. Two other farmhouses were on the market at rents of £1,650 and £1,195 per calendar month. The property at Shirley had been removed from the website. The property at Scropton was a three bedroom detached farmhouse with double glazing LPG heating. The property had kitchen, utility room, two reception rooms and brick store. The property has now been let.

Tenant's written representations

- 21. The Tenant's representations dated 15 April 2019 included a schedule of condition.
- 22. He provided an open-rent estimate of the rental values for a four bedroom detached house in tired condition and graphs showing that the proposed increase of 20%, since the last rent review in 2017, was too high.
- 23. Subsequently provided to the Tribunal were details of a four bedroom property situated in the village of Sudbury with an asking rent of £895 per calendar month.
- 24. The property in Sudbury was an end of terraced house with kitchen, two reception rooms utility room and downstairs WC and shower room. At first floor there were four bedrooms and a bathroom. On the top floor were two attic rooms. The property had secondary glazing, new central heating and new carpets.

The Law

- 25. In accordance with the terms of section 14 of the Housing Act 1988 the Tribunal proceeded to determine the rent at which it considered that the subject property might reasonably be expected to let on the open market by a willing Landlord under an assured tenancy.
- 26. In so doing the Tribunal, as required by section 14(1) ignored the effect on the rental value of any relevant Tenant's improvements as defined in section 14 (2) of that Act.

The Decision

- 27. The Tribunal's decision was sent to both parties.
- 28. By letter dated 16 May and 31 May 2019 respectively, both parties asked for detailed reasons for the Tribunal's decision.

Reasons for the Decision

- 29. 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 in the condition that is considered usual for such an open market letting. It did this by having regard to the evidence supplied by both parties, and the Tribunal's own general knowledge of market rent levels. The Tribunal concluded that such a likely market rent would be £1,450.00 per calendar month to reflect the lack of garage and second bathroom. This also reflected the limited parking and shared access to the property.
- 30. However, the actual property is not in the condition considered usual for a modern letting at a market rent. Therefore, it was necessary to adjust that hypothetical rent of £1,450.00 per calendar month to allow for the differences between the condition considered usual for such a letting and the condition of the actual property as observed by the Tribunal (disregarding the effect of any disrepair or other defect attributable to the Tenant or any predecessor in title). The Tribunal considered that this required a deduction of £70 per calendar month in respect of the carpets, curtains and white goods which were provided by the Tenant. Further deductions were made for the lack of central heating and double glazing of £120 per calendar month and the Tenant's improvements and items of disrepair being a total of a further £150 per calendar month.
- 31. The Tribunal therefore concluded that the rent at which the property might reasonably be expected to be let on the open market would be £1,110 per calendar month.
- 32. This rent will take effect from 1 May 2019 being the date specified in the notice.
- 33. If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber), on a point of law only. Any such application must be made to the First-tier Tribunal within 28 days of this decision (Rule 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

Anthea J Rawlence Chair