

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	CHI/00HB/MNR/2019/0053
Property	:	Flat 2 11A East street Bedminster Bristol BS3 4HH
Applicant	:	Ms S Arnold and Mr P Weston
Representative	:	None
Respondent	:	Mr R Evans
Representative	:	None
Type of Application	:	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal Members	:	Mr I R Perry BSc FRICS Mr S Hodges FRICS
Date of Inspection	:	19 th September 2019
Date of Decision	:	19 th September 2019

DECISION

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Summary of Decision

1. On 19th September 2019 the Tribunal determined a market rent of \pounds 800 per month to take effect from 5th August 2019.

Background

- 2. The case concerned the determination of a market rent for the subject property following a referral of the Landlord's notice of increase of rent by the Tenant pursuant to sections 13 and 14 Housing Act 1988.
- 3. On 2nd July 2109 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £800 per month in place of the existing rent of £650 per month to take effect from 5th August 2019. The notice complied with the legal requirements.
- 4. On 25th July 2019 the Tribunal received an application from the Tenant under Section 13(4) (a) of the Housing Act 1988.
- 5. The Tribunal office informed the parties that the Tribunal intended to determine the rent on the basis of an inspection of the property and written representations subject to the parties requesting an oral hearing. Mr Evans responded on the 8th August 2019 and requested a hearing.
- 6. A hearing was held on 19th September 2019 at Bristol Magistrates Court at which representations were made by the Landlord and the Tenant.
- 7. The Tenants had made extensive written representations to the Tribunal including photographs, which had been copied to the Landlord. Many of the issues raised were historic and many referred to the personal circumstances of the Tenants. Both parties submitted evidence of comparable properties and asking rentals which were copied to the other party.

Inspection

- 8. On 19th September 2019 the Tribunal inspected the property accompanied by the Tenants Ms Arnold and Mr Weston. Mr Evans was also present.
- 9. The Tribunal found the property to be a first and second floor maisonette situated above shops in the busy centre of Bedminster.
- 10. A main door opens into a communal hallway and stairs which lead to the door into the property itself. Within Flat 2 a hall gives access to a sitting room and a kitchen. Stairs rise from the hall to a landing with Velux window giving access to two bedrooms and a small bathroom with WC.
- 11. Heating is from night storage heaters, the windows are double glazed and there is no outdoor space.

- 12. The Tenants pointed the Tribunal to cracks to the plasterwork throughout the property which the Tribunal considered to be of a minor nature as are usually present when a property has not been decorated for some years.
- 13. There was evidence of two historic water leaks in the front bedroom together with evidence of issues with condensation. The Tribunal noted that the Tenants use this room to dry their clothes which may likely contribute to this problem.
- 14. There were further minor historic damp stains in the rear bedroom, bathroom and kitchen together with a further water stain in the living room below the bathroom and more staining close to a cat litter tray in the living room.
- 15. The Tenants are concerned that there appears to be damp marking through decoration to the party wall on all three floors of the property.
- 16. The Tribunal noted a slight slope to the floor in the living room. The common areas had recently been decorated but the inside of the flat has not been decorated for some years.
- 17. The washing machine is provided by the Tenant.
- 18. Within their submission the Tenants had referred to nuisance from vibrations caused by busy traffic and piling of foundations on a nearby building site.

The Hearing

- 19. A formal hearing was held later that day at Bristol Magistrates Court commencing at 1.00 pm which focussed on the issues of the rental valuation of the property.
- 20. Ms Arnold speaking for the Tenants confirmed that the rent had last been increased in 2017 to a figure of £650 per month. She acknowledged that the windows had been replaced since then with double glazed units and suggested that the rent should now be a figure between £700 and £720 per month.
- 21. In particular Ms Arnold referred the Tribunal to a two-bedroom flat in Wedmore Vale, in better condition than the subject property, that had been let recently based on an asking figure of \pounds 785 per month.

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- 22. Ms Arnold also referred the Tribunal to a flat on Bedminster Road recently let at £840 per month. This flat had larger bedrooms and a small outside space.
- 23. Ms Arnold confirmed that the Tenants had the Landlord's permission to redecorate the inside of the flat if they so wished, although he would want them to match the existing colour scheme or return the property to that scheme if they were to leave.
- 24. Mr Evans also referred the Tribunal to comparable properties offered for rent on Rightmove. He asserted that if the property were in good decorative order throughout it might reasonably let at £895 per month. He also referred to a property in Bedminster with an asking rental of £975 per month. Ms Arnold identified this property as being in the pedestrianised part of Bedminster.

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

- 25. 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.
- 26. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in Bristol the Tribunal decided that the market rent for the subject property if let today in a condition that was usual for such an open market letting would be £895 per month
- 27. However, the property is not in the condition considered usual for a modern letting at a market rent and a number of adjustments need to be made to reflect this.
- 28. The Tribunal decided that a deduction of £10 per month should be made to reflect the Tenant's provision of a washing machine. There are a

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number of unsightly areas where the decoration has been damaged by water ingress in the past for which the Tribunal decided that a deduction of \pounds_{20} per month should be made.

- 29. The property is on a busy main shopping street which gives rise to traffic noise and vibration for which the Tribunal decided a deduction of \pounds 20 per month should be made.
- 30. Whilst the Tenants are responsible for preventing damage to the internal decoration, they are not responsible for fair wear and tear. It is evident that the internal decorations have not been renewed for many years. Accordingly, the Tribunal decided to make a further deduction of $\pounds 45$ per month to reflect the dated fittings and decoration throughout the flat.
- 31. In summary the Tribunal decided that the following adjustments should be made to the open market rental of £895 per month.

Tenant's provision of washing machine	£10
Water damage and stains	£20
Noise and vibration	£20
Dated decorations and fittings	£45
TOTAL	£95

32. The Tenant made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenant undue hardship.

Determination

- 33. 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 was £800 per month.
- 34. The Tribunal directed that the new rent of £800 per month should take effect from 5th August 2019 this being the date in the original notice.

Chairman: I R Perry BSc FRICS

Date: 19th September 2019

RIGHTS OF APPEAL

- 1. 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.
- 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-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 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