



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

Case Reference : CHI/24UN/MNR/2019/0070

Property : 1 Chalk Pit Cottage, Tangle, Andover,
Hants SP11 0RX

Type of Application : Decision in relation to Housing Act 1988

Date of Decision : 27 January 2020

Reasons for the decision

Background

1. The Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £ 620.00 per month in place of the existing rent of £598.00 per month to take effect from 1 January 2020.
2. On 27 November 2019 the Tribunal received an application from the Tenant under Section 13(4) (a) of the Housing Act 1988.
3. On 16 December 2019 the Tribunal made Directions requiring the landlord to send a statement to the tenant and to the Tribunal supporting the application for an increase in rent. The Tenant was also required to send a statement to the Landlord and to the Tribunal in support of her objection.
4. 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. No request was made by the parties for a hearing and an inspection was arranged.

5. In a letter to Ms Budgen dated 20 December 2019 Messrs Savills on behalf of the landlord referred to four similarly sized cottages currently available to let at £750, £750, £825 and £895 per month. From this evidence they concluded that the starting point should be £825 per month from which they deducted £150 per month “taking into account the individual circumstances of your occupation and characteristics of 1 Chalkpit Cottage”
6. In her application Ms Budgen refers to taking over the assured tenancy in 2017 and from the Tribunal’s involvement with the property in January 2019 it is aware that many of the improvements to the cottage were carried out by her late father including the wood burning stove which was the only form of heating.

Inspection

7. The Tribunal inspected the property as arranged in the company of the tenant. The landlord did not attend. The property is a semidetached mainly two storey cottage in a rural location set in large gardens. The elevations are rendered and the roof slate covered.
8. The accommodation comprises on the ground floor a kitchen with adjoining room at a slightly higher level, a living room, and rear lobby with French doors out and an adjoining bathroom with panelled bath, low level WC and pedestal wash basin. Steep stairs rise to a small landing off which are two double bedrooms.
9. Outside is a garage and timber outbuildings. Drainage is to a septic tank located in the neighbouring garden.
10. Heating is from a wood burning stove in the living room which also serves a small number of radiators. The windows are a mixture of original single glazed timber casements and UPVC double glazed replacements. We noted an area of damp in the rear lobby and the poor state of the external decoration.
11. The Tribunal notes that nothing appears to have changed since its last inspection in January 2019.

The parties’ representations

12. See paragraphs 5 and 6 above.

The law

13. 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-
was carried out otherwise than in pursuance of an obligation to his immediate landlord, or*
- (c) (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*
- (d) 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 Determination

14. 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.
15. In determining the appropriate rent, the Tribunal would disregard any improvements made under Ms Budgen's existing tenancy. In this case the improvements were carried out under the previous Fair Rent tenancy enjoyed by her father and as such no deductions can be made.
16. The property is therefore valued as seen by the Tribunal on the day of their inspection.
17. Savills rely on the asking rents of four similar properties at rents between £750 and £895 per month and the Tribunal accepts that in good lettable condition the property would be likely to achieve a rent of £825 per month.
18. For the property to achieve such a rent it would need to be in good condition throughout free of damp and with a fitted kitchen with integral white goods, modern bathroom and WC. It would also be expected to have good quality floor coverings and curtains in good condition.
19. The property is not in the condition described above and a prospective tenant would expect to pay a lower rent to reflect those differences. In their letter of 20 December 2019 Savills have made a deduction of £150 per month in respect of those differences. Their S.13(2) Notice stated that they required the lower rent of £625 per month which the Tribunal accepts as reasonable.
20. The Tribunal therefore determines that the rent payable from 1 January 2020 being the date stated in the notice is £625.00 per month.

D Banfield FRICS (Chairman)
M J F Donaldson FRICS MCI Arb MAE
27 January 2020

PERMISSION TO APPEAL

1. A person wishing to appeal the 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.