



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

Case Reference : **CHI/45UD/MNR/2020/0009**

Property : **8 Newhouse Farm Cottages
Treyford
Midhurst
GU29 0LB**

Type of Application : **Determination of market rent:
Housing Act 1988**

Tribunal Member : **Mr B H R Simms FRICS (Chairman)**

Date of Decision : **01 June 2020**

REASONS FOR THE DECISION

Background

1. By an application dated 22 February 2020 Mr P & Mrs C Finch, the joint Tenants, referred to the Tribunal a Notice of Increase of rent served on behalf of the Landlord under section 13 of the Housing Act 1988 dated 24 January 2020 which proposed a rent of £1,000.00 per calendar month with effect from 01 March 2020 in place of the passing rent of £650.00 per calendar month.
2. The Tenancy is an Assured Periodic Tenancy commencing on 01 November 2005. The Tenancy Agreement dated 01 November 2005 was produced to the Tribunal is for a period of one year.
3. Directions for the conduct of the case were issued dated 12 March 2020. 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. On 19 March 2020 the Tribunal issued a notice in respect of the Coronavirus pandemic cancelling an inspection and requesting photographs from the parties if required. No objection to this procedure was received.

Inspection

4. The Tribunal did not inspect the property. The Tenant describes the property as a terrace house with accommodation comprising: Hall, 3 Bedrooms, 1 Sitting Room, 1 Kitchen, 1 Bathroom. Outside: Garden, Garage, Outside Building.

Hearing

5. Neither party requested a hearing at which they could present their case. The Landlord's solicitor, by letter dated 06 March 2020, made representations and comments on the answers given by the Tenants in their Application form, but made no further representations following the Directions. The Tenant made no representations at that time.
6. Following the request for further information after the cancellation of the inspection the Landlord made further representations on 25 March 2020. The Tenant made brief representations dated 17 May 2020. Neither party provided photographs or any further descriptions of the property to assist the Tribunal.
7. The Tribunal proceeded to determine the matter based on the written evidence submitted which was circulated to the parties.

Tenancy Agreement

8. The agreement is dated 01 November 2005 for a term of one year from that date. Rent is payable each calendar month. The Tenant is to keep the property in good and tenantable repair. The landlord is responsible for all other repairs.

Evidence

9. The Landlord's solicitors explained in detail the history of the tenancy and the various tenancy agreements. They also take issue with some of the improvements carried out by the tenant and whether these works have had Landlord's permission. Unfortunately the Landlord's solicitors are unable to assist the Tribunal regarding whether or not the improvement works required consent. The Landlord would appear not to have made an inspection that might have assisted the Tribunal regarding the extent or quality of the improvements.
10. We are however provided with a copy of an invoice sent to the Landlord from Alan Brown Electrical Ltd listing electrical work presumably carried out at the property (although this is not stated on the face of the document). We expect that this is reference to the solicitors comments in their letter when dealing with the Tenant's improvements "*Due to unauthorised works ... carried out by the tenant's on the electrical circuits ... remedial works have had to be done by the landlord ...*" but this is unclear and may refer to other electrical repairs.
11. Also provided is a copy of a letter dated 16 March 2020 from Mr Martin of Henry Adams, estate agents, to the landlords. He suggests that an appropriate asking rent for the property would be in the region of £1,000.00 per calendar month. A further letter from Mr Martin dated 20 March 2020 says exactly the same but now adds that Carron Lane Cottage, Midhurst has been let at £1,200 per month and Clover Cottage, Midhurst at £995 per month. Sales particulars of each property are supplied.
12. The Tenants' email dated 17 May 2020 lists various points the Tribunal should consider which can be summarised as:
 - There is no central heating, the only heat sources are the open fire in the sitting room and a Rayburn in the kitchen.
 - Windows at the front need replacing because of blown glass and draughts from defective seals.
 - The driveway has not been maintained to a proper standard.
 - Repairs have had to be undertaken at the Tenant's expense.
 - There is no rear access.

They also state that the property has been their family home for 26 years.

The Law and Valuation

13. 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 Landlord or of the Tenant are not relevant to this issue.
14. The Landlords' solicitor raised various quasi legal issues regarding the tenancy, alleged tenant's improvements and the need for landlord's consent. These are matters between the parties and outside the jurisdiction of the Tribunal.

15. Thus 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. Neither party described the property nor its location so the Tribunal has little information on which to base its valuation.
16. Mr Martin of Henry Adams identified two properties by way of comparables but does not describe the quality of the accommodation. The photographs of the interior of the comparables show modernised properties with modern fittings and it would appear that Clover Cottage has at least some electric heating. He expresses a view that an asking rent for the subject property would be £1,000 per month.
17. Accordingly having regard to the Landlord's evidence, the Tenants' comments and using its own knowledge and experience the Tribunal arrives at an appropriate open market rental value of £950.00 per calendar month for a property similar to the subject premises but in good modernised condition with central heating. The property is, however, not in such a modernised condition, so we have to make adjustments for the lack of central heating, disrepair and isolated location. In our view this would reduce the bid that would be made by a hypothetical tenant by £100.00 per month. We have ignored any value that may have been added by the Tenants' improvements. We have made no adjustments for the electrical work undertaken by the Landlords as they are required to keep the electrical installation in good order and such a repair does not increase our assessment of rental value.

Determination

18. The Tribunal therefore determines 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 £850.00 per calendar month.
19. The Tribunal then considered the question of the starting date for the new rent specified in the Landlord's Notice from the point of view of hardship to the tenant (S.14(7)). Neither party addressed us on this issue. The Tenants' application objecting to the rent was made in February but, because of delays caused by the Coronavirus pandemic, the determination of a new rent could not be made until now. The Tribunal considers that, in these extraordinary circumstances it would cause hardship to the Tenants for the starting date of the rent to be backdated. To reflect this the new rent of **£850.00 per calendar month** is not to start on the date specified in the Landlord's S.13 notice (01 March 2020), but is to take effect on **01 June 2020** being the date of this determination.

Mr B H R Simms (Chairman)

01 June 2020

PERMISSION TO APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) on a point of law 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.