



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

Case Reference : **CHI/45UG/MNR/2020/0022**

Property : **31 Old Farm Close
Haywards Heath
West Sussex
RH17 7GA**

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

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

Landlord : **Hyde Housing Ltd**

Tenant : **Mr Andrew Payne**

Date of Decision : **03 July 2020**

REASONS FOR THE DECISION

Background

1. By an application received on 10 March 2020 Mr Andrew Payne, the Tenant, 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 10 February 2020 which proposed a rent of £936.00 per calendar month with effect from 01 April 2020 in place of the passing rent of £780.00 per calendar month.
2. The Tenancy is a monthly Assured Periodic Tenancy commencing on 24 March 2016. The Tenancy Agreement dated 24 March 2016 is produced to the Tribunal. *[It should be noted that the document provided describes the premises as Flat 31 and describes it as a 2 Bedroom Apartment. From the documents provided this is an error but neither party has taken issue with the legality of the document. The Tribunal is proceeding as if the Tenancy Agreement includes the correct address and description.]*
3. Directions for the conduct of the case were issued dated 13 March 2020. The Tribunal intended to determine the rent based on an inspection of the property with written representations, subject to the parties requesting an oral hearing. No request was made by the parties for a hearing. On 20 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.
4. When considering the documents provided the Tribunal identified some inconsistencies relating to the comparable property rents quoted and whether white goods are provided by the Landlord at the property. The tribunal wrote to both parties pointing out these anomalies and requested comments. Both parties submitted further representations for clarity which the Tribunal has considered.

Inspection

5. The Tribunal did not inspect the property but checked the area on Google maps. The Tenant has supplied photographs. The Tenant describes the property as a terrace house with accommodation comprising: Living Room, Kitchen, Ground Floor W.C. 2 Bedrooms, Bathroom, Shower Room. From Google Street View and the Schedule of Condition attached to the Agreement it appears to be an end terrace house built of brick and tile in a close of similar properties near to the Princess Royal Hospital.

Hearing

6. Neither party requested a hearing at which they could present their case. The Tenant made written representations dated 22 March 2020 and supplemented these with further representations by email dated 29 April with the addition of photographs. The Landlord made representations dated 27 March 2020 comprising a witness statement of Donna Jones, the Lead Rent and Compliance Officer for Hyde Housing, supporting documents and a list of comparable properties. The Tenancy Agreement provided by the Landlord also had an Inventory & Schedule of Condition attached.
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 24 March 2016 and is in a standard form. The Tenant is responsible for small repairs in the property which are listed. The Landlord is responsible for all other repairs and decorations. Although the inventory attached to the Tenancy Agreement lists a cooker, fridge/freezer and washing machine there is no annotation and the Tenant confirms that the Landlord did not supply white goods.

Evidence

9. The Tribunal has carefully considered the parties representations in full but summarises here the principal points made.
10. The Tenant describes Old Farm Close as being in poor repair and at the lower end of the market appealing to those in need of affordable homes. The house does not have a private garden or outside storage. There is unallocated communal parking and communal bins but no garages. The neighbourhood is not desirable and several properties are vacant. He says that the kitchen and bathroom are out of date and the windows and doors are wooden and draughty. The house is in a poor state of repair with the Landlord taking a long time to repair reported defects. Mr Payne provides photographs showing the state of disrepair to the internal fittings and external paintwork. He states that his tenancy does not include any furniture or white goods.
11. The Landlord's representations provide three properties as rental comparables: (1) A 2 bedroom terrace refurbished house in Robertson Drive in very good condition and good specification let in August 2019 at £1,248 per calendar month; (2) a 2 bedroom semi-detached refurbished house also in Robertson Drive in good condition and good specification let in August 2019 at £1,148 per calendar month; and (3) a 2 bedroom refurbished house in Funnell Drive in good condition let in January 2019 at £1,200 per calendar month. For each of these properties the Landlord's notes refer to "2 bedroom flat accommodation within 100m of the subject property", [in response to the Tribunal's enquiry the Landlord confirmed that this was an error].
12. Mr Payne offered details of some properties obtained from the RightMove website backed up by contact with the letting agents in support of his opinion of rental value: (1) Rycroft, a 3-bedroom end of terrace house smaller than the subject property but with a garden and with white goods let in March 2020 at £995; (2) Larch Way, a 2-bedroom maisonette with gas fired central heating and some kitchen appliances offered at £925; (3) Holly Road, a 3-bedroom, semi-detached house with garden, refurbished in good repair let in January 2020 at £1,050 and (4) A property offered by Holroyd Homes being a 2-bedroom terrace house listed in March 2020 at £950. He then summarises the comparables and says that there are numerous other properties on the estate not let at £950.
13. In conclusion Mr Payne suggests that the full market rental value of his home is £1,050.00 and, as such, his rent should be at an 80% intermediate rent for his 3-bedroom home should not exceed £840 per calendar month. [*This paragraph would appear to have been included in error as there is a differing concluding paragraph later in his representations*].

14. The Tenant then refers to properties which he says were produced by Hyde in support of its rental opinion but instead quotes details of three different 3 bedroom terrace or detached houses which Hyde had not produced as evidence in this case. The Tenant's comments relate to these erroneous properties and, as such, are of no assistance to the Tribunal. [The Tribunal raised this error with the Tenant who chose not to comment].
15. Mr Payne then offers a different conclusion putting the full market value of his home at £950 meaning an intermediate market rent [sic] value at 80% £760. This, he says, reflects the size and poor condition of the property, lack of garden and garage and the unpopular location compared to other properties which would be available to tenants seeking affordable housing.

The Law and Valuation

16. 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. Although the Housing Association may choose to charge a different rent the Tribunal can only fix a market rent in accordance with statute which is the maximum figure chargeable.
17. Thus in the first instance the Tribunal determined what rent the landlord could reasonably be expected to obtain for the subject 2-bedroom terrace house, 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 Tenant fully described the property & its location and the Landlord made some helpful general comments supported by the Schedule of Condition.
18. Both parties offered details of rentals for other properties which they considered comparable to the subject premises. The Landlord's figures range between asking rents of £1,150 to £1,250 and, although located on a nearby estate, the amenities for these comparables are superior to Old Farm Close. The houses have private gardens and allocated parking or garages. The Tenant's comparable properties, ignoring the maisonette, range from rents of £950 for a 2-bedroom terrace to £1,050 for a semi-detached 3-bedroom house.
19. Accordingly having regard to the evidence supplied, the various comments made and using its own knowledge and experience, the Tribunal arrives at an appropriate open market rental value of £925.00 per calendar month. This is for a property similar to the subject premises but in good modernised condition with white goods. The Old Farm Close estate is less attractive than the comparables offered by the Tenant in that the property has no private space and only has communal gardens and parking. The minor defects identified by the tenant and the lack of white goods would give rise to an adjustment in rent of £25 per month.
20. The Tribunal had to interpret the written representations made to it by both parties which seem to have not been properly checked by them. The parties were given an opportunity to correct any errors but where this was not done the Tribunal did the best it could to interpret the parties' representations to arrive at the actual circumstances of the case.

Determination

21. The Tribunal therefore determines that the rent at which the subject, 2-bedroom terrace, property might reasonably be expected to be let in the open market by a willing Landlord under the terms of this assured tenancy is £900.00 per calendar month (£925 less £25).
22. The new rent of **£900.00 per calendar month** is to take effect on **01 April 2020** the date specified in the Landlord's S.13 notice.

Mr B H R Simms (Chairman)

03 July 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.