

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

| Case Reference               | : | BIR/00GA/MNR/2020/0033   |
|------------------------------|---|--|
| Property                     | : | 10 Yew Tree Close, Whitchurch, Ross-on-Wye, Herefordshire,<br>HR9 6BT  |
| Applicants                   | : | Tristan Holden and Kelly Vaughan   |
| Respondent                   | : | Sarah Farrant  |
| Type of Application          | : | Appeal against a notice proposing a new rent under an<br>Assured Periodic Tenancy under section 13(4) of the Housing<br>Act 1988 |
| Tribunal Members             | : | Mr I.D. Humphries B.Sc.(Est.Man.) FRICS  |
| Date and Venue of<br>Hearing | : | Not Applicable, paper determination  |
| Date of Decision             | : | 7 <sup>th</sup> August 2020  |

# DECISION

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1 The rent is determined at £1,500 (One Thousand Five Hundred Pounds) per calendar month from 9<sup>th</sup> July 2020.

## REASONS

## Introduction

- 2 The tenants, Tristan Holden, Kelly Vaughan and Courtney Harris, hold a monthly periodic assured shorthold tenancy of 10 Yew Tree Close, Whitchurch, Ross-on-Wye, Herefordshire HR9 6BT, by tenancy granted for a fixed term of six months from 9<sup>th</sup> November 2019.
- 3 By Notice dated 21<sup>st</sup> May 2020 the landlord, Sarah Farrant, served notice of increase under section 13(2) of The Housing Act 1988 proposing a rent of £1,850.00 per month to take effect on 9<sup>th</sup> July 2020. Neither the previous nor proposed rents included any sums for Council Tax, water rates or fixed service charges.
- 4 On 8<sup>th</sup> June 2020 the tenants requested the rent to be determined by the First-tier Tribunal Property Chamber.
- 5 The rent was determined by written representations on 31<sup>st</sup> July 2020.
- 6 On 6<sup>th</sup> August 2020 the Tribunal received a request for Reasons from the landlord.

## The Law

7 Section 14 of The Housing Act 1988 states:

'(1) Where, under subsection (4)(a) of section 13 above, a tenant refers to a rent assessment committee a notice under subsection (2) of that section, the committee shall determine the rent at which, subject to subsections (2) and (4) below, the committee 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;...'

'(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 the immediate landlord ...
- 8 The jurisdiction of the Rent Assessment Committee was transferred to the First-tier Tribunal (Property Chamber) from 1st July 2013.

#### **Facts Found**

- 9 The property comprises a modern detached house built in or about 2003 on the fringe of Whitchurch, a village next to the A40 near Symonds Yat, about 7 miles south of Ross and 5 miles north of Monmouth.
- 10 The house is within a small estate development known as 'Yew Tree Close'.
- 11 It comprises a five bedroom detached family house with an entrance hall, three reception rooms, kitchen / breakfast room and w.c. on the ground floor, four bedrooms (one with ensuite) and family bathroom on the first floor and a fifth bedroom and bathroom in roof space on the second floor. There are gardens around the house, a drive and single detached garage although this is retained by the landlord and excluded from the tenancy. The landlord also retains use of a wardrobe in the main bedroom and cupboard on the second floor which are excluded from the tenancy. The property was let part furnished. The landlord provided 12 months' tv licence and broadband at no extra charge.
- 12 The landlord bought the house in September 2019 for her own use but wished to travel abroad over the winter and let it for 6 months by Assured Shorthold Tenancy to the present tenants. It was advertised on the open market at £1,400 per month on the 'Open Rent' website and according to the landlord there were six or seven potential applicants. On return to the UK, the landlord served Notice to Quit but the tenants have not vacated and she proposed an increase to £1,850.00 per month from expiry of the initial six month period on 9<sup>th</sup> July 2020.

#### **Submissions**

- 13 Neither party requested a Hearing. The case has therefore been determined on the written representations of the parties.
- 14 <u>The Applicant's Submission</u> The tenants gave a description of the property and history of the tenancy. They produced photographs and brief descriptions of the asking rents of 8 alternative properties taken from Rightmove to support their case:

| Ref. | Address   | Asking Rent pcm £ |
|------|---|-------------------|
| 1    | Bigstone Grove, Tutshill, Chepstow<br>4 bedroom detached modern estate house. | £1,200            |
| 2    | 'Dreamdon', Hang Hill Rd., Bream<br>4 bedroom detached modern house.          | £1,200            |
| 3    | Bream, Lydney<br>4 bedroom detached.  | £1,250            |
| 4    | Woodgate Rd., Cinderford<br>4 bedroom detached.                               | £ 985             |
| 5    | (Address not shown)<br>4 bedroom detached.                                    | £ 1,100           |
| 6    | Eaton Bishop<br>4 bedroom detached with double garage.                        | £ 950             |

| 7 | Walney Lane, Hereford<br>5 bedroom detached.                | £1,500 |
|---|---|--------|
| 8 | Warrifield Farm House, Walford, Ross<br>4 bedroom detached. | £1,400 |

The tenants have not formally put forward their own opinion of value.

#### 15 <u>The Respondents' Submission</u>

The landlord responded by commenting on each aspect of the history and description of the accommodation and referred to the asking rents of 7 houses and brief descriptions in evidence.

| 1 | Eastbach, English Bicknor<br>6 bedroom detached.          | £2,500 |
|---|---|--------|
| 2 | Ross on Wye (Address not provided)<br>4 bedroom detached. | £1,650 |
| 3 | The Malthouse, Skenfrith<br>4 bedroom detached.           | £1,800 |
| 4 | Birch Hollow, Tidenham<br>4 bedroom cottage.              | £1,900 |
| 5 | Chapel Green, Chapel Lane, Gorsley<br>4 bedroom detached. | £1,950 |
| 6 | Whitecliff, Coleford<br>4 bedroom detached.               | £1,500 |
| 7 | Lake Lane, Frampton<br>5 bedroom detached                 | £2,000 |

#### Decision

- 16 There is nothing exactly similar to the subject property offered in evidence in the immediate area, i.e. a modern 5 bed detached house recently let in Whitchurch and consequently the Tribunal has taken account of the evidence provided and its own general experience of the rental market across the area.
- 17 Most of the houses quoted by the tenants are smaller and most provided by the landlord are larger. Some are individual and others estate. The subject house is in a small estate occupying an estate plot, there are no outstanding features around the site and the garage has been excluded.
- 18 There is also the unusual position that two cupboards in the house have been excluded from the tenancy.
- 19 Both parties refer to problems with the central heating in the past but they are assumed to have been resolved and while the house may not be in perfect condition, it is assumed to be in a reasonable condition for property of its age which is only 17 years old. The internal fittings will therefore be modern and from the particulars provided the accommodation is well planned.

- 20 The most significant value affecting point is that made by the landlord; *'This tenancy was always supposed to be a short 6/7 month let which was why the initial rent was so low''* because as can be seen from section 14(1)(a) of the Housing Act 1988 referred to above, the Tribunal is required to consider the same length of tenancy as the subject property, six months. In fact, this is even more relevant in this case because the current tenancy is for less than six months as the tenants have been given Notice to Quit.
- 21 Both parties suggest a short term tenancy would attract a discount and the Tribunal agrees.
- 22 The subject rent was market tested in November 2019 and the market rent on the terms of the tenancy was agreed at £1,400 per month. Neither party has provided any evidence to suggest that rents have increased or decreased since then but applying its own general knowledge and experience the Tribunal has found minor increases since last November.
- 23 The Tribunal therefore determines the rent at £1,500.00 (Fifteen Hundred Pounds) per month with effect from the date of increase, 9<sup>th</sup> July 2020.

I.D. Humphries B.Sc.(Est.Man.) FRICS Chairman

### Appeal

If either party is dissatisfied with this decision an application may be made to this Tribunal for permission to appeal to the Upper Tribunal, Property Chamber (Residential Property) on a point of law only. Any such application must be received within 28 days after the decision and accompanying reasons have been sent to the parties (Rule 52 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).