

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CAM/26UD/MNR/2019/0016

Property : Rivendell Braughing Friars

**Braughing Ware Hertfordshire SG11** 

2NR

**Applicant** : Mr Jason Towse

Respondent : Ms Karina Sibatovska

Date of Application : 13 August 2019

Type of Application : Determination of the market rent

under Section 14 Housing Act 1988

Tribunal : Mrs E Flint FRICS

:

**Mr J Francis QPM** 

Date and venue of

Meeting

25 October 2019

197 East Street Cambridge CB1 1BA.

## **DECISION**

The market rent as at 1 September 2019 is £800 per month.

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# **Background**

- 1. On 13 August 2019 the tenant of the above house referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988.
- 2. The landlord's notice, which proposed a rent of £1,400 per month with effect from 1 September 2019, is dated 24 June 2019.
- 3. The tenancy is a periodic tenancy which commenced in September 1991.
- 4. The parties provided written representations prior to the Tribunal's inspection on 25 October 2019.

#### The Evidence

- 5. Ms Sibatovska stated that the area had been redeveloped within the last year with the old farm buildings being replaced by four properties with asking prices of £1,500,000 to £1,800,000. She provided details of properties advertised on Rightmove and Zoopla which showed market rents for three bedroom properties within a five mile radius of the subject property which she noted started at £1,500 per month.
- 6. Mr Towse submitted copies of letting details for several properties including a 3 bedroom detached house in Braughing itself where the asking rent was £1,300 per month, correspondence with the agent for the previous landlord regarding the condition of the bungalow, a copy of the sales particulars and a letter from a neighbour stating that neither the subject nor his own property had been well maintained for a number of years (both properties had been owned with Ideal Farm).
- 7. He did not consider the landlord's comparables to be helpful: some were much larger; some in the town of Bishops Stortford and two in Great Dunmow some 18 miles away. The comparables all had fitted kitchens, white goods, ensuite showers, fitted wardrobes, garage and appeared to be immaculate unlike Rivendell.
- 8. He was of the opinion that the rental value of the bungalow in its present condition was £800 per month.
- 9. He noted that the subject property was sold for £215,000 and that the landlord had referred to the new build luxury houses which have 5 ensuite bedrooms.

#### Inspection

10. Rivendell is a detached bungalow built c1960, on a good size plot at the end of a long, narrow lane some distance from the centre of the village. The original farm buildings to the rear have been demolished and a development of large detached houses are currently under construction. Consequently access to the subject property is via a mud track which provides access to the building site,

- 11. The accommodation comprises living room, dining room, kitchen, two double and one single bedroom, bathroom/wc, study, utility room and lean to. The former farm workers wcs house the central heating boiler and provide storage for garden tools etc. The windows are U-pvc double glazed units. A propane gas cylinder is situated to the side of the bungalow. Drainage is via a septic tank which the tenant pays to have emptied.
- 12. Externally the house is in very poor decorative condition; the soffits and fascia boards are rotten; the gutters were leaking in several places; the concrete apron to the rear is cracked and the steps to the back door are coming away from the main structure.
- 13. There is evidence that the floor slab has settled: there are gaps between the skirting and floor and also between the partition walls and the ceiling at the left hand side of the property; changes in floor level; in addition the worktops over the fitted base units in the kitchen have gaps at the junction with the walls. There were some patches of black mould at ceiling level which appeared to coincide with where the fascia and soffit was rotten.
- 14. The kitchen and bathroom are dated but functional. The property benefits from gas fired central heating however the pipes feeding the radiators are visible and in several rooms are particularly unsightly.
- 15. The tenant has replaced the hot water cylinder.

### The law

- 16. In accordance with the terms of section 14 Housing Act 1988 the Tribunal proceeded to determine the rent at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.
- 17. In so doing the Tribunal, as required by section 14(1), ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act.

## Valuation

- 18. In coming to its decision, the Tribunal had regard to the evidence supplied by the parties and the members' own general knowledge of market rent levels in east Hertfordshire.
- 19. The Tribunal finds that the comparables provided by both the landlord and the tenant are of a higher standard than the subject property. The best comparable is a three double bedroom detached house within the village where the asking rent is £1,300 per month. However, the house which is closer to the facilities in the centre of the village is in the condition usual for an open market letting a and appears to be in good condition.
- 20. In determining the rental value of the bungalow the Tribunal has taken into account all the factors in respect of the location, structural condition, disrepair, the quality of fittings, lack of white goods, floor and window coverings and the terms of the tenancy.

#### The decision

21. The Tribunal concluded that the rent at which the property might reasonably be expected to be let on the open market is £800 per month.

22. The rent has been assessed as at 1 September 2019 in accordance with the landlord's notice.

Chairman: Evelyn Flint

Dated: 29 October 2019

#### **ANNEX - RIGHTS OF APPEAL**

- If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
- ii. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
- iii. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- iv. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.

# Appendix Housing Act 1988

- 14 Determination of rent by rent assessment committee.
- (1)Where, under subsection (4) (a) of section 13, 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
- 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 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 of the dwelling-house concerned or are payable under separate agreements....

