

# FIRST-TIER TRIBUNAL

PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference : CHI/40UB/MNR/2020/0067

**1 Manor Farm Cottages** 

Property : Laverton

Bath

**BA2 7QY** 

Applicant : Mr S Wakefield

Representative : None

Respondent : P B Weeks & Son

**Representative** : None

Type of Application : Determination of a Market Rent

sections 13 & 14 of the Housing Act 1988

**Mr I R Perry BSc FRICS** 

Tribunal Members : Mr R Brown FRICS

**Mr S Hodges FRICS** 

**Date of Inspection**: None. Determined on the papers.

Date of Decision : 21st December 2020

### **DECISION**

# **Summary of Decision**

1. On  $21^{st}$  December 2020 the Tribunal determined a market rent of £410 per month to take effect from  $1^{st}$  October 2020.

# **Background**

- 2. The case concerned the determination of a market rent for the subject property following a referral of the Landlord's notice of increase of rent by the Tenant pursuant to sections 13 and 14 Housing Act 1988.
- 3. On 31st July 2020 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £900 per month in place of the existing rent of £550 per month to take effect from 1st October 2020. The notice complied with the legal requirements.
- 4. The Tribunal received an application dated 7th September 2020 from the Tenant under Section 13(4) (a) of the Housing Act 1988.
- 5. The Coronvirus pandemic and considerations of health have caused a suspension of inspections and of Tribunal hearings in person until further notice.
- 6. The Tribunal office informed the parties that the Tribunal intended to determine the rent on the basis of written representations subject to the parties requesting an oral hearing. No request was made by the parties for a hearing. The parties submitted written representations, copies of which were sent to each other.

#### **Submissions**

- 7. From the submissions made by the parties the property is described as a semi-detached house comprising three Bedrooms, one Living Room, a Kitchen, Bathroom and Shower with WC. Outside there is a shared access and Garden. The property is connected to a private drainage system and is situated in a small Hamlet with no amenities about 10 miles south of Bath.
- 8. The Tenancy had originated as a tied cottage in 1991 when the Applicant was a pigman working for the Respondent. When this employment terminated in 2003 the Tenancy had become an Assured Periodic Tenancy.
- 9. The Applicant had submitted photographs of the property which shows the property to be in very poor condition throughout. The ground floor accommodation had been flooded twice in recent years and there was a long history of inadequate heating.
- 10. The Tribunal was also informed that the Tenant had provided all the white goods, carpets, curtains and fitted kitchen. The Tribunal was also

provided with an Energy Performance Certificate for the property with a Band G rating. In this condition the property can only be let with an exemption certificate, effectively making the property almost unlettable in its present condition.

11. The Landlord asserted that he had received a professional valuation for the property suggesting an open market rental of £900, but he provided no evidence of this.

#### The law

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-
    - (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, 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 Valuation**

- 12. The Tribunal first considered whether it felt able to reasonably and fairly decide this case based on the papers submitted only with no oral hearing. Having read and considered the papers it decided that it could do so.
- 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 Tenant are not relevant to this issue.
- 14. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in Bath, North East Somerset and Wiltshire the Tribunal decided that the market rent for the subject property if let today in a condition that was usual for such an open market letting would be £900 per month.
- 15. However the property is not in a condition that would readily command this level of rent. The Tribunal needs to reflect any Tenant's improvements including the provision carpets, curtains and white goods and must also reflect the condition of the property.
- 16. Using its experience the Tribunal decided that the following adjustments should be made:

Tenant's provision of white goods	£10
Tenant's provision of carpets and curtains	£20
Inadequate heating	£50
Significant dampness throughout	£100
Tenants provision of kitchen units	£90
Dated bathroom	£20
General disrepair including glazing, wiring, plaster damage and energy efficiency	£200
TOTAL	£490

17. The Tenant made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenant undue hardship.

#### **Determination**

- 18. The Tribunal therefore decided 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 in its present condition was £410 per month.
- 19. The Tribunal is aware that this is significantly below the existing rent and directs that the new rent of £410 per month should take effect from 1<sup>st</sup> October 2020, this being the date in the original notice.

### **RIGHTS OF APPEAL**

- 1. A person wishing to appeal this 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. Where possible you should send your application for permission to appeal by email to <a href="mailto:rpsouthern@justice.gov.uk">rpsouthern@justice.gov.uk</a> as this will enable the First-tier Tribunal Regional office to deal with it more efficiently
- 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.