

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CAM/33UE/MNR/2020/0027

**A:BTMMREMOTE** 

Property : 74 Wimbotsham Road Downham Market

Norfolk PE38 9QB

Applicant : Ms Katharine Louise Ransom

Respondent : Mr J and Mrs V Stacey

Representative : Mr C Roberts, Ashton Roberts,

managing agent

Date of Application : 13 October 2020

Type of Application : Determination of the market rent under

**Section 14 Housing Act 1988** 

Tribunal : Mrs E Flint FRICS

Date and venue of

**Determination** 

25 January 2021

remote audio hearing.

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#### **DECISION**

The market rent as at 25 January 2021 is £700 per month.

This has been a remote audio hearing on the papers which has been consented to by the parties. The form of remote hearing was A:BTMMREMOTE, A face to face hearing was not held because it was not practicable and all the issues could be determined in a remote hearing supplemented by the papers. The documents that I was referred to are in a bundle of 60 pages which I have recorded.

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# **Background**

- 1. On 13 October 2020 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 £700 per month with effect from 1 December 2020, is dated 2 October 2020.
- 3. The tenancy is a periodic tenancy which commenced 1 September 2014.
- 4. Owing to the Covid 19 restrictions the parties were asked if they would consent to the application being dealt with on the papers or by way of a telephone hearing. The tenant requested a telephone hearing which was held at 10 am on 20 January 2021 and attended by both the tenant and the landlord's agent. The Tribunal received written representations from both parties prior to the hearing.

## The Evidence

- 5. The tenant described her accommodation as comprising a three-bedroom two storey house with garage. The house has double glazing and central heating, there is a conservatory to the rear. The gas fire and back boiler in the living room have been condemned; the landlord installed a new central heating boiler about two years ago. The white goods and curtains are the tenants; the landlord supplied the floor coverings which were not new at the beginning of the tenancy. The patio doors do not lock, the landlord was advised at the beginning of the tenancy. There is a leaking radiator in the bathroom and the door to one of the bedrooms does not close properly.
- 6. Ms Ransom said that prior to the lockdown in March 2020 a house a few doors away which had recently been refurbished, but did not have a garage, was let for £650 per month. Since then, she had noted that the asking rents for 3 bedroom houses had risen to £700 per month.
  - 7. Mr Roberts said that the rent had not been increased since the beginning of the tenancy, although rental levels had increased during that time. He referred to three comparables nearby to support his opinion that if marketed today he could let the house for more than £700 per month.
  - 8. During cross examination he accepted that the kitchen was dated. He could not recall the standard of the kitchen and other fittings including floor coverings at the Grimshoe Road house which his firm had let in February 2020 for £725 per month, it had been on the market for 10 weeks. His other two comparables were in Wimbotsham Road itself. One had been marketed from October 2018 to December 2019 at an asking rent of £725 per month. The other house, which had been on the market since June 2020, had recently been let for £695 per month was described as being very well presented but did not have a garage.

9. During the hearing Ms Ransom explained her financial position and that backdating any increase would cause her hardship. Mr Roberts advised the Tribunal that he would be content for the rent to be increased from today rather than being backdated in accordance with the Notice of Increase. He was aware of the tenant's situation and that she was looking for somewhere more affordable to live.

### The Accommodation

- 10. The Tribunal viewed the locality on Streetview. The property is situated in a residential road of houses built c1990 on the edge of the town. There is a bus stop in front of the property.
- 11. Mr Roberts supplied a copy of the sales brochure which included a number of colour photographs and a floor plan. The accommodation is similar to many other properties on the estate: it has not been modernised in recent years. The kitchen in particular is functional but dated.

#### The law

- 12. 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.
- 13. 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

- 14. In coming to its decision, the Tribunal had regard to the evidence of rental levels provided by the parties together with its own general knowledge of rental levels in Downham Market.
- **15.** In determining the rental value of the subject property, the Tribunal has taken into account all the factors in respect of lack of modernisation, worn flooring, and lack of white goods, especially of a cooker or oven and hob usually found in an Assured Shorthold letting together with the terms of the tenancy. It has taken into account the benefit of a garage.

## The decision

16. The Tribunal concluded that the rent at which the property might reasonably be expected to be let on the open market is £700 per month.

17. The Tribunal determines the rent at £700 per month with effect from 25 January 2021 to reflect the undue hardship for the tenant if the rent increase were backdated and in accordance with the landlord's agreement.

Chairman: E Flint FRICS

Dated: 25 January 2021

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# **ANNEX - RIGHTS OF APPEAL**

- i. 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 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....