



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

Case Reference : **CAM/00MC/MNR/2022/0010
P:PAPERREMOTE**

Property : **31 Yew Tree Rise Calcot Reading RG31
4RQ**

Applicant : **Shelly Patterson**

Respondent : **Strawberry Hill Investment
Limited**

Date of Application : **10 February 2022**

Type of Application : **Determination of the market rent
under Section 14 Housing Act 1988**

Tribunal : **Mrs E Flint DMS FRICS**

**Date and venue of
Determination** : **19 April 2022
remote hearing on the papers.**

DECISION

The market rent as at 11 February 2022 is £1250 per month.

This has been a remote hearing which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote hearing. The documents that the Tribunal were referred to are in a bundle, the contents of which have been noted. The order made is described below.

Background

1. On 10 February 2022, the tenant 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 was dated 9 January 2022 proposed a rent of £1450 per month with effect from 11 February 2022 in place of the existing rent of £1100 per month.
3. The tenancy is an assured tenancy which commenced on 11 October 2008. Under the tenancy agreement the landlord is responsible for structural and external repairs together with its statutory obligations; the premises must not be sublet, nor may the tenant take in lodgers. There are no obligations regarding internal decorations within the agreement.
4. Directions were issued by the tribunal on 24 February 2022.
5. The parties did not object to the matter being dealt with on the papers and both made written representations to the tribunal.

The Inspection

6. The property is a semi-detached house situated in a residential road on an estate of houses and bungalows within walking distance of a bus route and approximately a mile from the local shops. Reading town centre and railway station is about 5 miles away.
7. Externally the house was in fair condition, the walls were part tile hung and the windows were pvcu double glazed. The gutters and downpipes are plastic. There were gardens to the front and rear. A garage with personal door to the rear garden was accessed by car via the adjoining street. There was unrestricted parking on the street.
8. The house comprised a living room/dining room to the rear, kitchen, and wc on the ground floor and on the first floor two double bedrooms, one with with ensuite shower room, a single bedroom, and bathroom/wc. Central heating was provided by a gas fired combi boiler.
9. The wash basin in the ground floor cloakroom was removed when the gas fired combi boiler was installed. The shower in the ensuite was not in use because it was no longer connected to the hot water system following installation of the combi boiler and removal of the hot water tank which originally fed the shower; the wc in the ensuite was cracked, a plastic bowl below the waste was to collect any leaks. The kitchen units were the original units and were worn and dated.
10. The house was let unfurnished with carpets and white goods. During the course of the tenancy the tenant has replaced most of the carpets.

The Evidence

11. The tenant stated that she had landscaped the garden, painted the fences and front door to protect them from the weather, painted the kitchen units and replaced the handles and paid half the cost of the replacement hob. The loft had been insulated at no cost to the landlord as she had applied for a grant, available to certain tenants on benefits, for the installation of roof insulation to reduce the heating bills.
12. Ms Patterson stated that while she appreciated that a rent increase was due she was of the opinion that the proposed increase of £350 per month was excessive. She referred to asking rents in respect of three similar properties nearby at rents ranging from £1200 to £1350 per month. She noted that the comparables all had working facilities.
13. Mr James, on behalf of the landlord company, stated that the proposed increase in rent for the property was based on asking rents ranging from £1395 to £1700 per month for 3 bedroomed properties. He also referred to the asking rent of £1100 per month for a two bedroom terraced house.
14. During the tenancy he had repaired or replaced the white goods, central heating boiler, porch roof, main roof and insulation, the bathroom suite, tiling due to a faulty seal, kitchen sink, tiling due to a faulty seal, lounge carpet and side gate and some fence panels.
15. Mr James stated that the rent had not been monitored to stay in line with inflation. The property was previously his home. He suggested a number of ways of looking at how he could receive, net of agents and maintenance costs, a reasonable return on his investment. Such an approach resulted in rents of £1500 to £1700 per month. He hoped a suitable compromise could be reached.

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, I had regard to the evidence supplied by both the landlord and the tenant. The comparables were mainly superior in terms of modernisation to the subject premises and generally benefited from white goods, floor coverings and blinds or curtains. I noted that the landlord's comparables were not in the same locality as the subject premises, the three bedroomed houses were closer to the town centre with its associated amenities.

19. I concluded that the rent at which the property might reasonably be expected to be let on the open market would be £1350 per month. The open market assumes that the house is in the condition usually found in open market lettings. However, in this instance the shower in the ensuite had no hot water connection and the wc was cracked; the door to the bathroom was difficult to close since the walls had been retiled, the wash basin in the ground floor wc had been removed: the original integral white goods had been replaced by free standing units, the kitchen cupboards had been painted by the tenant although they were now in need of redecoration; most of the carpets had been replaced by the tenant together with the curtains. I have deducted £100 from the monthly open market rent to reflect these matters.

The decision

20. The rent of £1250 per month will take effect from 11 February 2022 in accordance with the landlord's notice.

Chairman: Evelyn Flint

Dated: 26 April 2022

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....

(7) Where a notice under section 13(2) above has been referred to the appropriate tribunal, then, unless the landlord and the tenant otherwise agree, the rent determined by the appropriate tribunal ... shall be the rent under the tenancy with effect from the beginning of the new period specified in the notice or, if it appears to the appropriate tribunal that that would cause undue hardship to the tenant, with effect from such later date (not being later than the date the rent is determined) as the appropriate tribunal may direct.

