



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

Case reference : CHI/23UC/MNR/2023/0080

Property : 2 Heather View, Stow on the Wold,
Cheltenham, Gloucestershire, GL54 1GD

Applicant Tenant : Dr C Buffery

Representative : None

Respondent Landlord : Bromford Housing

Representative : None

Type of application : Determination of a Market Rent
Sections 13 & 14 Housing Act 1988

Tribunal member(s) : Mrs J Coupe FRICS
Mr M.J.F. Donaldson FRICS
Mrs A Clist MRICS

Date of decision : 15 June 2023

REASONS

Decision of the Tribunal

On 15 June 2023 the Tribunal determined a Market Rent of £810.00 per month, inclusive of £10.16 service charges, to take effect from 1 April 2023.

Background

1. By way of an application received by the Tribunal on 30 March 2023 the Applicant tenant of 2 Heather View, Stow on the Wold, Cheltenham, Gloucestershire, GL54 1GD (“the property”) referred a Notice of Increase in Rent (“the Notice”) by the Respondent landlord of the property under Section 13 of the Housing Act 1988 (“the Act”) to the Tribunal.
2. The Notice, dated 20 February 2023, proposed a new rent of £649.55 per month including £10.16 service charges in lieu of a passing rent of £610.74 per month including £13.17 service charges, to take effect from 1 April 2023.
3. The tenant occupies the property under an Assured Shorthold Tenancy agreement with a commencement date of 7 June 2022. A copy of the tenancy agreement was provided.
4. On 26 April 2023 the Tribunal issued Directions advising the parties that it considered the matter suitable for determination on papers unless either party objected, in writing, within 7 days. The parties were also advised that no inspection would be undertaken. No objections were received.
5. The Directions required the landlord and tenant to submit their completed statements to the Tribunal by 10 May 2023 and 24 May 2023 respectively, with copies to be sent to the other party. Both parties complied.
6. Having reviewed the application the Tribunal concluded that the matter was capable of being determined fairly, justly and efficiently on the papers, consistent with the overriding objective of the Tribunal.
7. These reasons address in **summary form** the key issues raised by the parties. They do not recite each and every point referred to in submissions. The Tribunal concentrates on those issues which, in its view, go to the heart of the application.

Law

8. In accordance with the terms of Section 14 of the Act, the Tribunal is required to determine the rent at which it considers the subject property might reasonably be expected to let on the **open market**, by a willing landlord, under an assured tenancy. The Tribunal is not determining a social housing provider rent.
9. In so doing, and in accordance with the Act, the Tribunal ignores any increase in value attributable to tenants’ improvements, of which there are none, and any decrease in value due to the tenants’ failure to comply with

any terms of the tenancy.

The Property

10. In accord with current Tribunal policy, the Tribunal did not inspect the property but did view it externally from publicly available online platforms.
11. The property is a mid-terraced house built in 2022. The tenant was the first occupier of the property. The property appears to be of masonry construction with a pitched roof clad in artificial slate.
12. The property is situated in a sought-after Cotswold village close to local amenities but with limited public transport provision. The main railway station at Moreton-in-Marsh is some five miles distance.
13. Accommodation comprises an entrance hall, kitchen, reception room, cloakroom/WC, two bedrooms and a bathroom. There is off-road parking and an enclosed rear garden.
14. The property has gas central heating and double glazing. White goods, carpets and curtains are provided by the tenant.
15. Having consulted the National Energy Performance Register online, the Tribunal noted the property to have an expired Energy Performance Certificate (EPC) Rating of B and a recorded floor area of 81m².

Submissions – Tenant (summarised)

16. Poor garden drainage resulting in surface flooding during periods of heavy rain. Displaced drainage pipes, which divert further rainwater into the gardens.
17. Vermin infestation (rats) across the development, which the landlord is unwilling to address.
18. An inspection for the purpose of identifying snagging issues is scheduled for June 2023.
19. There is a ten minute walk to the nearest bus stop and five miles distance from a train station.
20. The property is located within a “*council house area that was built in the 1950s*”. Some properties are now in private ownership whilst others are maintained by Bromford.
21. The property was a new build in 2022 and, as such, the rent is already higher than other social housing in the vicinity. Private rents and capital values are enhanced locally due to the Cotswolds’ location.
22. There are no tenant’s improvements to disregard in the rent assessment.

23. By way of comparable evidence, the tenant referenced two local properties which are advertised as available to rent on a property platform:
 - i. 1 bedroom cottage in a village location some 2 miles distance at £1,350 per month
 - ii. 3 bedroom new build in a neighbouring village at £1,600 per month
24. The tenant also refers to social housing comparisons in Cirencester, Oldbury and Winchcombe with advertised asking prices ranging from £466.63 per month to £619.53 per month.
25. The landlord has failed to have regard to the Local Housing Allowance for the broad rental market area when setting affordable rents. The Valuation Office Agency reference rent for Cheltenham, in May 2023, was £150 per week. The maximum affordable rent inclusive of service charge under a new tenancy should be no more than 80% of the market rent (RICS).
26. The rent is already set at a premium as the property is a new build and is located in the Cotswolds. It is unjust of the landlord to increase the rent within 12 months of occupation.
27. A copy of the 'Stow on the Wold and Swells Neighbourhood plan 2023 – 2031' was provided.

Submissions – Landlord (summarised)

28. As at handover of the property, that being 7 June 2022, all fittings were new.
29. The rent of £639.39 per month, excluding service charges, is below the monthly equivalent Local Housing Allowance rate.
30. The landlord referred to paragraph 1.4 of the tenancy agreement whereby Bromford may increase the rent on the 1st April after the tenancy is granted and annually thereafter by giving not less than one calendar month's written notice. In accord with such requirement, the landlord's notice of proposed rent increase was issued on 20 February 2023, effective from 1 April 2023.
31. The landlord relies upon a valuation of the property by a RICS Registered Valuer at Connells dated 8 February 2022 which provided a capital value of £315,000 and an open market rental valuation, as at that date, of £900.00 per month. Said valuations were valid for three months.

Determination

32. The Tribunal determines an open market rent for a property by reference to rental values generally and, in particular, to the rental values for comparable properties in the immediate locality. The Tribunal has no regard to the current rent and the period of time which that rent has been

charged, nor does it take into account the percentage increase which the proposed rent represents to the passing rent. In addition, the legislation makes it clear that the Tribunal is unable to account for the personal circumstances of either the landlord or the tenant.

33. The Tribunal assesses the rent for the property as at the date of the landlord's Notice. The Tribunal disregards any improvements made by the tenant, of which there are none, but has regard to the impact on rental value of disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.
34. In the first instance, the Tribunal determined what rent the landlord could reasonably be expected to obtain for the property in the open market if it were let today in the condition that is considered usual for such a market letting. To reiterate, the Tribunal is not determining a social housing rent. The Tribunal is determining an open market rent.
35. The Tribunal concurs with the tenant that directly comparable rental evidence within the locality is sparse. The two comparables provided by the tenant demonstrated the tone of value locally but also indicated the lack of available rental housing. The Tribunal found the tenant's reference to social housing comparables less useful. No details of these properties or any services included in the rent were provided, the locations differed to the subject and, as previously explained the Tribunal is determining, under this application, an open market rent.
36. The landlord relied on the valuation provided by Connells some fourteen months previously and which expired in May 2022.
37. In the absence of any directly comparable or recent valuation evidence the Tribunal relied upon its own expert knowledge as a specialist Tribunal and, in doing so, the Tribunal determined that a figure of £900.00 per month is reasonable.
38. Once the hypothetical rent in good condition was established, it was necessary for the Tribunal to determine whether the property meets the standard of accommodation, repair and amenity of a typical modern letting. In this instance the Tribunal determined that the subject property falls just short of the standard required by the market. A number of snagging issues were identified by the tenant and were undisputed by the landlord. Additionally, the landlord does not provide any carpets, curtains or white goods.
39. In reflection of such differences the Tribunal make a deduction of 10% from the hypothetical rent to arrive at an adjusted rent of £810.00 per month.
40. The Tribunal concluded that insufficient information relating to the presence or nuisance of vermin was submitted and that, by the tenant's admission, this was an estate problem as opposed to one which directly affected the subject property. Furthermore, the Tribunal do not consider the issue to be valuation pertinent.

41. The tenant made no submissions to the Tribunal in regard to delaying the effective date of the revised rent on grounds of hardship. Accordingly, the rent of **£810.00 per month, inclusive of £10.16 service charges, will take effect from 1 April 2023**, that being the date stipulated within the landlord's notice.
42. The rental figure determined by the Tribunal exceeds that proposed by the landlord. Such figure is the maximum rent payable however the landlord is under no obligation to charge the full amount.

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 by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at the Regional office which has been dealing with the case.
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.