

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

Case reference	:	CHI/40UC/MNR/2023/0124
Property	:	Haygrove Farm, Durleigh Road, Bridgwater, Somerset TA6 7HX
Applicant	:	Mr Saul Foster
Representative	:	None
Respondent	:	S Notaro Ltd
Representative	:	Ash Clifford Ltd
Type of application	:	Section 13(4) Housing Act 1988
Tribunal members	:	Mr Duncan Jagger MRICS Mr Simon Hodges FRICS Mr Jan Reichel BSc MRICS
Venue	:	Paper Determination
Date of decision	:	7 <sup>th</sup> July 2023
		DECISION

## Decision of the tribunal

(1) Having heard evidence and submissions from the parties and considered all the documentation provided The Tribunal determines that the rent that the property in its current condition as at  $30^{\text{th}}$  April 2023 might reasonably be expected to achieve under an assured tenancy is **£1,750 per month** 

### Background

- 1. The tenant has lived in the property as assured periodic tenant since the 30<sup>th</sup> May 2019 under a tenancy agreement commenced on that date for a period of six months.
- 2. The accommodation is provided over three floors and was variously described by the parties as follows: Ground floor; 7 rooms (including two kitchens. First floor: 4 rooms, 3 bathrooms/shower rooms. Second floor: 2 rooms, shower room.
- 3. On the 3<sup>rd</sup> March 2023 the landlord served a notice pursuant to section 13(2) of the Housing Act 1988 seeking to increase the rent from £1,600 to £1,800 per month effective from the 30<sup>th</sup> April 2023.
- 4. By an application dated 17th April 2023, the tenant referred that notice to the tribunal for a determination of the market rent. The Tribunal issued Directions for the conduct of the matter on 24th May 2023.

## The Evidence

- 5. The parties have prepared a detailed bundle of evidence which extends to 424 pages and which includes a background to the case, the application, a Proof of Evidence condition survey report prepared for the tenant by RS Goodman FRICS in December 2021 and updated in February 2023 with attached Scott Schedule, the Tribunals directions, comparable evidence, the tenancy agreement, completed rent appeal statements, site plan and photographic evidence.
- 6. Based on the evidence before the Tribunal it is evident that the parties have had a turbulent history and it could be said that communications have broken down. There has been a very detailed condition survey report carried on behalf of the tenant and local authority intervention.

# The Inspection

- 7. The Tribunal did not inspect the property and relied on the information provided by the parties, Rightmove, Google Street Maps and its expert knowledge.
- 8. The property is an extended Grade II Listed Farmhouse alleged to have been refurbished some 30 years ago. The property is in a residential area located on the outskirts of Bridgwater. The property has gardens with a garage, associated parking and outbuilding. It is evident to the Tribunal that the fabric of the building has been neglected over the years and is in need of general maintenance and renewal of some elements. Internally, general refurbishment is required with indications of damp staining to plasterwork, defective and dated sanitary fittings and a kitchen which was removed by the tenant. A new boiler and unvented cylinder have been installed by the landlord in recent years. The extensive photographic evidence provided in the bundle amplified the condition of the property.
- 9. The supporting documents set out a chronology of events which on the whole is generally agreed between the parties and the Tribunal does not propose to provide the details in this decision.

### The Tenants case

10. The tenant relied on four comparables which ranged from £1,600 per month to £2,000 per month. The survey report confirms the subject property has suffered neglect and requires significant refurbishment which must be reflected in the rental figure. The tenant has made allegations in connection with nuisance, harassment, a boundary dispute and the landlord's intention to develop the adjacent land. These matters are beyond the remit of this Tribunal and indeed do not affect the Tribunal's decision in this matter.

## The Landlords case

11. The landlord has submitted a schedule of Rightmove comparables ranging from £2,100 per month to £2,700 per month. It is stated the property was initially marketed at £1,800 per month and let out at lower than market rent figure of £1,600 to allow the tenant to install new bathroom fittings. It is claimed the landlord has installed two new log burners and a replacement boiler.

The Law

12. The rules governing a determination are set out in section 14 of the Housing Act 1988. In particular, the Tribunal is to determine the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy, subject to disregards in relation to the nature of the tenancy (i.e. it being granted to a "sitting tenant") and any increase or reduction in the value due to the tenancy. In the absence of any evidence to the contrary, the Tribunal has proceeded on the basis that the landlord is responsible for repairs to the structure.

### The valuation

- 16. The first step is to calculate the rental figure in good marketable condition. Having carefully considered all of the comparable evidence, and using its knowledge and experience the Tribunal considers that the rent that would be achieved in good condition with refurbished kitchen and bathroom fittings, external maintenance, internal renovation, modern services, carpets, curtains, and white goods supplied by the landlord would be **£2,300** per month. The Tribunal did its best to analyze the generic "Rightmove" comparable evidence provided by the landlord, together with the evidence provided by the tenant. However, this is a relatively individual property in terms of type and the Tribunal THEREFORE had to make certain assumptions regarding specification, location, floor area, house type, actual achieved rents and any market movement compared with the date of valuation.
- 17. This initial figure is the rent that would be achieved if the property was let in good condition with all modern amenities. The Tribunal must disregard any increase in rental value attributable to the tenant's improvements, unless they are carried out under an obligation to the landlord. The Tribunal has been provided with a copy of the tenancy agreement, which incorporates the usual repair obligations.
- 18. Based upon the evidence provided the Tribunal considers that that the rent should be reduced by £550 per month to reflect the need for internal refurbishment and upgrade of services and fittings, the existing condition of the exterior of the building and gardens and lack of white goods. This deduction reduces the rent to a figure of **£1,750** per month
- 19. The Tribunal received no evidence of hardship and, therefore, the rent determined by the tribunal is to take effect from **30th April 2023**.

## <u>Rights of appeal</u>

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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 Firsttier Tribunal at the regional office which has been dealing with the case.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).