

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference CHI/00HN/MNR/2023/0053 :

Flat 60 Warren Court, 22 St Valerie **Property** Road, Bournemouth, Dorset BH2 6PP

Applicant Tenant Mr Martin Cooper

Representative None

Respondent Landlord Stonewater Limited

Representative None

Determination of a Market Rent sections Type of Application

13 & 14 of the Housing Act 1988

Mr D Jagger MRICS Tribunal Members :

Mr S Hodges FRICS

Mr J Reichel BSc MRICS

Date of Inspection None. Paper determination

Date of Decision 26th July 2023

DECISION

Summary of Decision

1. On the 26th July 2023 the Tribunal determined a market rent of £196 per week to take effect from 3^{rd} April 2023.

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 the 20th February 2023 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £169.21 per month in place of the existing rent of £125.29 per month to take effect from 3rd April 2023. The notice complied with the legal requirements. The proposed new rental figure included £68.02 for service charges including heating and hot water. The Tribunal established that the global figure will be reduced to £157.67 following an energy credit of £11.54.
- 4. On 27th February 2023 the Tenant appealed to the Tribunal under Section 13(4) (a) of the Housing Act 1988.
- 5. The Tribunal does not consider it necessary and proportionate in cases of this nature to undertake inspections or hold Tribunal hearings unless either are specifically requested by either party or a particular point arises which merits such an inspection and/or hearing.
- 6. The Tribunal issued directions on 21st June 2023 informing the parties that, unless either party objected, the Tribunal intended to determine the rent based on written representations. The parties were invited to make submissions which could include photographs or videos.
- 7. The landlord submitted comprehensive documents including comparable evidence and photographs setting out its case. In addition, there was a Valuation Report prepared by Nigel Freston of Besley Hill Chartered Surveyors which gave an opinion of an open rental value of £950 per month. The Tribunal received a completed rent appeal statement from the tenant together with photographs. The papers were also copied to the other party.
- 8. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on the 27th July 2023 based on the written representations received.

The Property

- 9. From the information given in the papers and available on Rightmove and Google maps, the property comprises a five-storey block comprising 63 sheltered flats for Retirement Living. The block contains communal facilities which include two laundry rooms, a guest room, two reading rooms, roof terrace and communal gardens. The property is in a residential area close to Bournmouth town centre.
- 10. The fifth-floor accommodation comprises: living room, kitchen, bedroom and a bathroom/WC. There is a communal garden and residents parking. There is a communal gas central heating system and double-glazed windows were installed

in 2013. The tenant provided carpets, curtains and and white goods at the commencement of the tenancy.

Submissions

- 11. The assured tenancy began on 28th April 2017 on a weekly basis
- 12. As previously mentioned, The tenant completed the Rent Appeal Statement and provided a helpful schedule of photographs and stated that he provided carpets, curtains and a cooker, otherwise there are no white goods.
- 13. As previously mentioned, the landlord submitted comprehensive package of documents including comparable evidence and photographs by the specified date setting out their case. In addition, there was a Valuation Report prepared by Nigel Freston of Besley Hill Chartered Surveyors which confirmed an open rental value of £950 per month. The Tribunal received a completed rent appeal statement from the tenant.
- 14. The Energy Performance Rating for the property confirms an energy rating of C62 and it is confirmed the floor area is 32m2.

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

- 15. 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.
- 16. 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.
- 17. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in the Bournmouth area, 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.
- 18. However, the property is not let in such a condition as would command this full rent and the Tribunal needs to make some adjustment to this full rent to allow for the lack of white goods, carpets and curtains and partial misting of double glazing units due to defective seals.

- 19. The Tribunal has considered very carefully each parties submissions and using its own expertise, considers that a deduction of £50 should be applied for a lack of white goods (whilst recognising the laundry room facilities), the tenants' provision of carpets, curtains, and the condition of the window units. This reduces the rental figure to £850 per month. It should be noted that this figure cannot be a simple arithmetical calculation and is not based upon capital costs but is the Tribunal's estimate of the amount by which the rent would need to be reduced to attract a tenant.
- 20. 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

- 21. 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 was £196 per week.
- 22. The Tribunal directed that the new rent of £196 per week should take effect from 3^{rd} April 2023, this being the date specified in the Notice.
- 23. 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.

D Jagger MRICS Valuer Chair 26th July 2023

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.