

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

Case reference	:	CHI/45UG/MNR/2023/0174
Property	:	17 West View Cottages, Lewes Road, Lindfield, Haywards Heath, West Sussex, RH16 2LJ
Applicant Tenant	:	Mr A Jones
Representative	:	None
Respondent Landlord	:	Bradford Property Trust Ltd
Representative	:	Grainger Plc
Type of application	:	Determination of a Market Rent Sections 13 & 14 Housing Act 1988
Tribunal members	:	Mrs J Coupe FRICS Mr I Perry FRICS
Date of decision	:	10 October 2023

## REASONS

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## **Decision of the Tribunal**

# On 10 October 2023 the Tribunal determined a Market Rent of £980.00 per month to take effect from 20 July 2023.

## **Background**

- 1. By way of an application received by the Tribunal on 12 July 2023 the Applicant tenant of 17 West View Cottages, Lewes Road, Lindfield, Haywards Heath, West Sussex, RH16 2LJ (hereinafter referred to as "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 9 June 2023, proposed a new rent of £1,025.00 per month in lieu of a passing rent of £950.00 per month, to take effect from 20 July 2023.
- 3. The tenant occupies the property, by way of succession, under an Assured Tenancy agreement which commenced 25 December 2014. A copy of the tenancy agreement was not provided.
- 4. On 11 August 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 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 25 August 2023 and 8 September 2023 respectively, with copies to be sent to the other party. Submissions were received from the tenant only.
- 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, are fundamental to the application.

#### <u>Law</u>

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, on the same terms as the actual tenancy.

9. In so doing, and in accordance with the Act, the Tribunal ignores any increase in value attributable to tenants' improvements 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 traditional mid-terraced house of masonry construction beneath a pitched roof. The property is located in an established residential area, close to open spaces.
- 12. The accommodation comprises a kitchen and two reception rooms at ground floor level, and two bedrooms and a bathroom/WC at first floor level. There are gardens to front and rear, and an outside WC. There are no off-road parking facilities.
- 13. The property is heated by a single gas fire in the dining room. Double glazing was installed by the landlord in 2021. White goods, carpets and curtains are provided by the tenant.
- 14. The property has an Energy Performance Certificate (EPC) Rating of F and a floor area of 66m<sup>2</sup> (online National Energy Performance Register).

#### <u>Submissions – Tenant</u> (summarised)

- 15. The tenant stated that the property has a small kitchen, no central heating, only one gas fire and a water heater in the bathroom.
- 16. The bathroom is said to be some 25 years old and the kitchen 21 years old.
- 17. The tenant has occupied the property for nearly 67 years and considers the proposed rent increase to be excessive.
- 18. In support of a rent lower than that proposed, the tenant referred to the property "*next door*" which is let at a rent of £1,035.00 per month. The comparable property is said to comprise a larger and more modern kitchen, two reception rooms and bathroom on the ground floor, and three bedrooms on the first floor. The property benefits from central heating and gardens to the front and rear.

#### <u>Submissions – Landlord</u>

19. None.

### **Determination**

20. The Tribunal found, as a matter of fact, that the notice served by the landlord was a Notice under section 13 of the Act as prescribed by statute.

- 21. The Tribunal determines a 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.
- 22. The legislation makes it clear that the Tribunal is unable to account for the personal circumstances of either the landlord or the tenant in determining the rent.
- 23. 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 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.
- 24. 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.
- 25. In doing so, the Tribunal considered the evidence relied upon by the tenant, the landlord having not submitted any, and weighed such evidence against its own knowledge and experience as an expert Tribunal.
- 26. Whilst the letting of an adjacent property would typically provide strong market evidence, the Tribunal was unable to attribute much weight to the comparable provided by the tenant as the property was unidentified and terms of the tenancy agreement were not provided. Furthermore, no evidence of the condition or extent of accommodation was provided, nor any statement from the occupier confirming the rent payable.
- 27. In the absence of any further comparable evidence from either party the Tribunal relied upon its own expert knowledge as a specialist Tribunal to conclude that a likely market rent would be  $\pounds$ 1,400.00 per month.
- 28. Once the hypothetical rent 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 short of the standard required by the market.
- 29. The kitchen and bathroom are both dated, the property lacks central heating, and the energy performance rating is poor. Carpets, curtains and white goods are provided by the tenant.
- 30. Furthermore, the tenant is responsible for the internal decoration of the property. The Tribunal considers such a covenant a greater burden than the normal responsibility for an assured shorthold tenant to keep the landlords' decorations in good order.

- 31. In reflection of such differences, the Tribunal make a deduction of 30% from the hypothetical rent to arrive at an adjusted open market rent of £980.00 per month.
- 32. 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 **£980.00 per week will take effect from 20 July 2023**, that being the date stipulated within the landlord's notice.

#### **RIGHTS OF APPEAL**

- 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 <u>rpsouthern@justice.gov.uk</u> 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.