

# FIRST-TIER TRIBUNAL

PROPERTY CHAMBER (RESIDENTIAL

PROPERTY)

Case Reference : CHI/23UG/MNR/2024/0076

15 Shipway Court Bishop's Cleeve

Property: Cheltenham

Glos

**GL52 8HY** 

**Applicant Tenant** : Mr C Crozier

Representative : None

Respondent Landlord : Bromford

Representative : None

Determination of a Market Rent sections

Type of Application : 13 & 14 of the Housing Act 1988

Tribunal Members : Mr I R Perry FRICS

Ms C D Barton MRICS Mr N I Robinson FRICS

Date of Inspection : None. Paper determination

Date of Decision : 1st July 2024

## **DECISION**

# **Summary of Decision**

- 1. On 1st July 2024 the Tribunal determined a market rent of £184.62 per week which equates to £800 per month, to take effect from 1st April 2024.
- 2. This market rent is higher than the rent proposed by the Landlord Housing Association. The Landlord is not obliged to charge this higher rent.

## **Background**

- 3. 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.
- 4. On 21<sup>st</sup> February 2024 the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £182.35 per week which included £76.39 per week for services, in place of the existing rent of £154.07 per week which included £55.68 per week for services. The notice complied with the legal requirements.
- 5. On 23<sup>rd</sup> March 2024 the Tenant applied to the Tribunal under Section 13(4) (a) of the Housing Act 1988.
- 6. The Tribunal does not routinely 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.
- 7. The Tribunal issued directions on 24<sup>th</sup> April 2024 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.
- 8. The Landlord made a submission to the Tribunal on 8<sup>th</sup> May 2024 which was copied to the Tenant.
- 9. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 1st July 2024 based on the written representations received.
- 10. These reasons address **in summary form** the key issues raised by the parties. They do not recite each and every point referred to either in submissions or during any hearing. However, this does not imply that any points raised, or documents not specifically mentioned were disregarded. If a point or document was referred to in the evidence or submissions that was relevant to a specific issue, then it was considered by the Tribunal. The Tribunal concentrates on those issues which, in its opinion, are fundamental to the application.

## The Law

# CHI/21UC/MNR/2024/0029

## 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.

# **The Property**

- 11. From the information given in the papers and available on the internet, the property comprises a first floor flat within modern development of similar flats close to the centre of Bishop's Cleeve. Shopping and other local amenities are available within the village with a more extensive range of commercial, educational and recreational amenities available in Cheltenham about 4 miles away.
- 12. The accommodation comprises a Living Room, Kitchen, Bedroom and Bathroom with WC. Outside there is off-street parking.
- 13. The flat has double-glazed windows and gas-fired central heating. The Energy Performance Rating was 'C' but the certificate expired in August 2022.

## **Submissions**

- 14. The initial tenancy began on 28<sup>th</sup> August 2020. The rent has been increased annually in line with September CPI plus 1% which is the norm for Housing Association properties.
- 15. The Landlord states that electrical rewiring was carried out in April 2022, the bathroom was fitted in March 2004, the kitchen was fitted in January 2002 and the boiler replaced in October 2018.
- 16. The Landlord also states that the service charges attributable to the flat are £53.97 per week, a deduction from the figure in the notice as certain services are no longer provided to the Tenant, and that the current rent is below the rental formula plus leeway.
- 17. In correspondence with the Landlord, the Tenant has made a number of enquiries about the responsibility for some costs involved within the development, but these are not covered by the jurisdiction of this Tribunal.

## **Consideration and Valuation**

- 18. 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.
- 19. 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 parties are not relevant to this issue.

# CHI/21UC/MNR/2024/0029

- 20. Having carefully considered the representations from the parties and associated correspondence and using its own judgement and knowledge of rental values in Bishop's Cleeve and nearby Cheltenham, 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 £850 per month. The parties should be aware that market rents are usually expressed as a figure per month.
- 21. However, the property is not let on the basis that is normally required with regard to the Tenant's provision of white goods, curtains and carpets.
- 22. Using its experience the Tribunal decided that the theoretical open market rent should be reduced by £30 per month to reflect the Tenant's provision of white goods and £20 per month to reflect the carpets and curtains.
- 23. 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**

- 24. 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 £800 per month which equates to £184.62 per week. This rent would normally include the items referred to in the service charge element.
- 25. The Tribunal directed that the new rent of £184.62 per week should take effect from  $1^{st}$  April 2024 this being the date specified in the notice.
- 26. This rent is higher than the rent proposed by the Landlord, who is not obliged to charge this higher rent.

## **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 to the First-tier Tribunal at the Regional office which has been dealing with the case. Where possible you should send your application for permission to appeal by email to <a href="mailto:rpsouthern@justice.gov.uk">rpsouthern@justice.gov.uk</a> as this will enable the First-tier Tribunal Regional office to deal with it more efficiently.
- 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.

# CHI/21UC/MNR/2024/0029

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.