

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

Case Reference	:	CHI/40UD/MNR/2024/0118
Property	:	Moorlands Moor Lane Wincanton Somerset BA9 9EJ
Applicant Tenant	:	Mr M Batten and Miss L Kellaway
Representative	:	None
Respondent Landlord	:	Mr and Mrs Holt
Representative	:	Hamlet Letting Agents
Type of Application	:	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal Members	:	Mr I R Perry FRICS Mr S J Hodges FRICS Mr M C Woodrow MRICS
Date of Inspection	:	None. Paper determination
Date of Decision	:	23 <sup>rd</sup> July 2024

# DECISION

## Summary of Decision

1. On 23<sup>rd</sup> July 2024 the Tribunal determined a market rent of £950 per month to take effect from 22<sup>nd</sup> April 2024.

## 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 Tenants pursuant to sections 13 and 14 Housing Act 1988.
- 3. On 6<sup>th</sup> March 2024 the Landlords served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £1,000 per month, in place of the existing rent of £850 per month, to take effect from  $22^{nd}$  April 2024. The notice complied with the legal requirements.
- 4. On 9<sup>th</sup> April 2024 the Tenants applied to the Tribunal under Section 13(4) (a) of the Housing Act 1988.
- 5. 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.
- 6. Following some procedural issues, the Tribunal issued Directions on 7<sup>th</sup> June 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.
- 7. The Landlords' Agent submitted papers by the specified dates setting out their respective case. The papers were also copied to the Tenants. The Tenants made no further representations.
- 8. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 23rd July 2024 based on the written representations received.
- 9. 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

S14 Determination of Rent by First-tier Tribunal

 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

- 10. From the information given in the papers and available on the internet, the property comprises a detached house situated within an established residential area with shops, schools and local amenities readily available together with easy access to the A303.
- 11. The house is built of brick elevations beneath a tiled roof with accommodation comprising a Hall, Living Room, Dining Room, Kitchen and Cloakroom all at ground level. At first floor level there are 3 Bedrooms and a Bathroom with WC.
- 12. Outside there are large gardens, several garages and off-road parking.
- 13. The Energy Performance Rating for the property is 'E'. There is gas-fired central heating and some secondary double glazing.

## Submissions

- 14. The initial 6-month tenancy began on 9<sup>th</sup> December 2022 at a rent of £850 per month. The agreement states that the Landlords retain the right to store belongings in the attic.
- 15. In their initial application the Tenants state that there are 3 garages with the property, but the Landlord has retained use of one of these, and the Landlord also cultivates a vegetable plot within the garden. They also say that there are some of the Landlords belongings in the garden.
- 16. The Tenants also state that the roof is leaking, the gas boiler does not work properly and that some window frames are rotten.
- 17. The submission from the Landlord's Agent states that carpets, curtains and a cooker are included in the letting, and that the kitchen and bathroom are showing some age and could benefit from updating. The Agent provided details of other properties available to rent with asking rents between £1,100 per month and £1,345 per month. No details of rents achieved were provided.
- 18. The Tribunal was also provided with particulars and photographs from when the property was let.

## **Consideration and Valuation**

- 19. 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.
- 20. 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.

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- 21. Such an open market letting would normally include basic white goods comprising a washing machine, cooker and fridge, and floor coverings and curtains throughout the property. The photographs provided with the letting particulars show the accommodation to be quite dated which needs to be reflected in the amount of rent payable.
- 22. Having carefully considered the representations from the parties and associated correspondence, and using its own judgement and knowledge of rental values in the Wincanton 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 £1,200 per month.
- 23. The property is not let in the same state or on the same basis to command such a rent so that this notional open market rent needs to be adjusted to reflect the dated accommodation shown in the photographs provided by the Landlords' Agent and the Tenants provision of some white goods.
- 24. The Tribunal also noted that the Tenants state that the boiler does not work properly, which was not disputed by the Landlord, and the property has a low EPC rating.
- 25. The Tribunal considered whether the large garden would justify a higher rent than might otherwise be achieved but decided that the additional garden was just as likely to be seen as a liability than a benefit to many renters.
- 26. The Tribunal noted that the Landlords still maintain a vegetable plot in the garden but, as the garden is large, this would not materially affect the rent that could be achieved.
- 27. Using its experience the Tribunal decided that the following adjustments should be made to the notional open market rent:

Tenant's provision of white goods	£30
Low EPC rating and boiler	
not working properly	£50
General disrepair including windows and roof	£50
Dated fittings and appearance	
TOTAL per month	£250

28. The Tenants made no representation that the starting date for the new rent specified in the Landlord's notice would cause the Tenants undue hardship.

#### Determination

- 29. 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  $\pounds$ 950 per month.
- 30. The Tribunal directed that the new rent of £950 per month should take effect from  $22^{nd}$  April 2024, this being the date specified in the notice.

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