

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CAM/22UH/MNR/2024/0089

V:CVPREMOTE

Property : Forest Lodge Main House High Road

Epping CM16 5HW

Applicant : Philip Michael Wolfson

Respondent : Little Explorers Day Care

Nursery Limited

Type of Application : Determination of the market rent

under Section 14 Housing Act 1988

Tribunal : Mrs E Flint FRICS

:

Date and venue of

Hearing

26 July 2024

Remote hearing after an inspection

DECISION

The market rent is £2950 per month with effect from 31 May 2024.

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Background

- 1. On 24 April 2024 the tenant referred to the Tribunal a notice of increase of rent served by the landlord under section 13 of the Housing Act 1988.
- 2. The landlord's notice, which was served on 23 April 2024, proposed a rent of £2995 per month with effect from 31 May 2024 in place of the existing rent of £2125 per month.
- 3. The tenant occupies under a statutory periodic tenancy following the expiry of a tenancy for seven months from 31 January 2019 at £2125 per month.
- 4. Directions were issued by the tribunal on 17 May 2024.
- 5. Prior to the inspection and hearing both the landlord and the tenant sent submissions to the tribunal and the other party.

The Inspection

- 6. Forest Lodge is situated within Epping Forest facing onto a busy main road and bus route within approximately three miles of Epping town centre and tube station. The house was originally detached when built c1930 however an annexe was subsequently built to the rear; the annexe is not included in the tenancy. There are garden areas to the front and left hand side of the house. The driveway to the front which is bounded by tall wrought iron gates provides parking for several cars.
- 7. Externally the property is in good condition. However, part of the fencing on the right hand side of the front garden requires replacement once the shrubbery has been cut back to enable access to the fence panels. Immediately adjacent to the fence and flank wall of the house is Epping Forest. To the left of the property is a driveway leading to several commercial units and the rear of the property.
- 8. Internally the house is well maintained and in good decorative order. The accommodation comprises on the ground floor entrance hall, living room, dining room, kitchen, cloakroom/wc and conservatory and on the first floor four bedrooms, an ensuite shower/wc, an ensuite bathroom/wc and family bathroom/wc. Central heating is provided via an oil fired boiler.

The Hearing

- 9. The application, written submissions and Directions were contained in an unnumbered bundle.
- 10. The tenant stated that he wanted a long term letting. Several years ago, the landlord had proposed that the rent be increased and had offered a new AST for six months, The discussions had not resulted in an

- agreement and he had continued to occupy the house at the original rent of £2150 per month. Following the service of the \$13 notice he had offered £2500 per month.
- 11. Mr Wolfson was of the opinion that the area surrounding the house had an adverse impact on the rental value. There was an animal petting zoo, boxing club and annexe in what was the hotel where the tenants cooked resulting in traffic to the site. In addition, car alarms frequently went of in the car impound lot situated to the left of the entrance to the former hotel. The garden fence was in disrepair.
- 12. Internally the house had dated bathrooms, the heating and hot water system did not work independently resulting in the radiators being heated whenever the hot water was being heated. None of the radiator valves have worked since he had moved into the house. He accepted during cross examination that he had not reported this to the landlord. Although a plumber had inspected the system at the beginning of the tenancy. Mr Wolfson agreed that two of the shoers were electric and did not rely on the central heating system for their hot water.
- 13. He was of the opinion that the current rent was appropriate until the outstanding repairs were completed. He explained that he had not bothered the landlord regarding these matters as the rent had remained at the same level as at the beginning of his tenancy.
- 14. Mr Stimson on behalf of the landlord company said that he dealt with any issues which had been reported to him. The original rent was less than the asking rent in 2019 because Mr Wolfson had agreed to pat six months rent upfront. However, the market and costs generally had changed during the ensuing period.
- 15. He had taken professional advice regarding the rental value. Butler and Stagg had inspected the property and assessed the rent at £3,000 per month; Millers, the original letting agent, using their records and an external inspection, were of the opinion that the rental value was £3,250 per month and a mortgage valuation following an inspection had been based on £3,250 per month for the house and garden. He was therefore of the opinion that rental value of the house and garden reflecting the immediate environment was £3,000 per month.
- 16. During cross examination he accepted that he had not advised the surveyors that there was only one electrical system serving the house and annexe: there are two meters. Mr Wolfson pays for both and is reimbursed by deducting the amounts for the annexe from his rent.
- 17. Mr Wolfson was concerned that the rent would be backdated to 31 May 2024. He said that he had less work since Covid. He did not produce any evidence of hardship and confirmed that he was not in receipt of any benefits.

The law

18. In accordance with the terms of section 14 Housing Act 1988 I proceeded to determine the rent at which I considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.

19. In so doing I, as required by section 14(1), ignored the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act or any diminution in value due to the tenant not complying with the terms of the tenancy and also any items of disrepair which either the tenant had not reported to the landlord or had not allowed access for the landlord to carry out the necessary repairs.

Valuation

- 20. In coming to my decision, I relied on the landlord's evidence and my own general knowledge of rents in Epping.
- 21. The house is in good condition although the bathrooms are dated however this would have been reflected in the valuations based on an inspection. The disrepair to the fences is exacerbated by the lack of garden maintenance by the tenant: it would be difficult for anyone to carry out any repair to the front fences due to the adjacent overgrown shrubbery. The landlord had not been informed of the defective radiator valves. I find that a prospective tenant would take into account that there is only one electrical system for both the house and annexe which is separately occupied. The evidence is that this was not reflected in the valuations.
- 22. I determined that the open market rent of the property at £2,950 per month.

The decision

23. The rent of £2,950 per month is effective from 31 May 2024 in accordance with the landlord's notice since I am satisfied that on the evidence available that no undue hardship would be caused by the backdating.

Chairman: Evelyn Flint Dated: 30 July 2024

ANNEX - RIGHTS OF APPEAL

- I. 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 First-tier Tribunal at the Regional Office which has been dealing with the case. The application should be made on Form RP PTA available at https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber
- II. 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.
- III. 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.
- IV. 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. Please note that if you are seeking permission to appeal against a decision made by the Tribunal under the Rent Act 1977, the Housing Act 1988 or the Local Government and Housing Act 1989, this can only be on a point of law.

Appendix Housing Act 1988

- 14 Determination of rent by rent assessment committee.
- (1)Where, under subsection (4) (a) of section 13, a tenant refers to a rent assessment committee a notice under subsection (2) of that section, the committee shall determine the rent at which, subject to subsections (2) and (4) below, the committee 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 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 of the dwelling-house concerned or are payable under separate agreements....
- (7)Where a notice under section 13(2) above has been referred to the appropriate tribunal, then, unless the landlord and the tenant otherwise agree, the rent determined by the appropriate tribunal ... shall be the rent under the tenancy with effect from the beginning of the new period specified in the notice or, if it appears to the appropriate tribunal that that would cause undue hardship to the tenant, with effect from such later date (not being later than the date the rent is determined) as the appropriate tribunal may direct.