

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : CHI/45UG/MNR/2024/0141

Bolney Stage Cottage, London Road,

Property : Bolney, Haywards Heath, West Sussex

RH175RL

Applicant : Mr A Toms

Representative : None

Respondent : Mr C Andrews

Representative : None

Type of application : Section 13(4) Housing Act 1988

Mr Jagger MRICS

Tribunal members : Ms C Barton MRICS

Venue : Horsham Law Courts

Date of decision : 22 October 2024

DECISION

Decision of the tribunal

(1) Having heard evidence and submissions from the parties and considered all the documentation provided The Tribunal determines that the rent that the property in its current condition as at 10th April 2024 might reasonably be expected to achieve under an assured tenancy is £930 per month

Background

- 1. The tenant has lived in the property as assured periodic tenant since the 1st October 1992 under a Statutory Periodic Tenancy. During the hearing both parties confirmed a written tenancy agreement does not exist.
- 2. The accommodation comprises three bedrooms (the third accessed via the second bedroom), living room, kitchen/breakfast room, bathroom with wc, en-suite wc. All mains' services are provided to the property with the exception of gas. The tenant provided all white goods, carpets and curtains.
- 3. On 14th May 2024 the landlord served a notice pursuant to section 13(2) of the Housing Act 1988 seeking to increase the rent from £575 per month to £1,190 per month, being an increase of £615 effective from 1st July 2024.
- 4. By an application dated 30th May 2024, the tenant referred that notice to the Tribunal for a determination of the market rent. The Tribunal issued Directions for the conduct of the matter on the 14th June 2024.
- 5. On the 27th July 2024 an Application for Case Management was received by the Tribunal from the landlord requesting extended time to provide additional submissions. This request was accepted. However, upon further consideration the Tribunal was of the opinion there was a dispute of facts and as such, the application was not appropriate for determination on the papers and the matter was set down for an inspection followed by a hearing.
- 6. The first matter for the Tribunal to consider whether the rent should be inclusive of water and sewage charges. It is apparent a previous Tribunal decision excluded such charges. Without a copy of the agreement, it is difficult for the Tribunal to determine this matter and as such would agree with the previous decision in 2004.
- 7. Therefore, it is for this reason, the Tribunal cannot consider this particular matter and it can only be pursued through the court.

The Evidence

8. The detailed bundle of evidence includes a background to the case, the application, two completed Rent Appeal Statements with comparable evidence, and helpful photographs.

The Inspection

- 9. The Tribunal inspected the property on the morning of the 22nd October 2024 in the presence of Mr. Adrian Toms the tenant and Mr. Christopher Andrews the landlord to carry out a joint inspection.
- The property is a former farm building that has been converted to form 10. a detached bungalow with single skin brick elevations under a pitched and tiled roof. There is an enclosed rear garden and provision for parking on the verge of a private drive adjacent the front of the property. Internally, the kitchen and bathroom fittings are rather basic and bathroom fittings are some 50 years old. The softwood single glazed windows and external entrance door are suffering from rot infestation and have been secondary glazed in a very basic fashion. The tenant has provided the Tribunal with a schedule of improvements he has carried out during the term of the tenancy. Overall, the property has been neglected over the years and substantial general refurbishment is required. There is no gas supply nor central heating provided. Very basic heating is supplied by very dated electric storage heaters. The photographic evidence provided in the bundle evidence amplified the condition of the property.
- 11. The property is located in a rural area, set back off the road adjacent "Bolney Stage Public House" which incorporates a large car park. It also lies close to the A23 trunk road. Various local facilities are accessible in the general area. Gatwick Airport is a short drive away and a bus service passes the front door. There is some noise disturbance from the A23 and the public house can be busy at certain times. Each of these factors must be reflected in the rental valuation figure.

The Hearing

12. The hearing took place at 11.30am following the inspection. It was attended by the tenant and the landlord. At the hearing each party was provided with the opportunity to outline their respective cases. The supporting documents set out a chronology of events which on the whole was generally agreed between the parties and the Tribunal does not propose to provide the details in this decision.

"The Tenants case"

13. The Tenant relied on details of a single comparable located in the village. This was dated January 2024 and was a two-bedroom mid terrace cottage which had superior fittings and achieved a rent of £1,200 per

month. Details of this property were not provided in the bundle of evidence. The tenant states the subject property has suffered neglect from the landlord and requires significant refurbishment which must be reflected in the rental figure. When asked what rent he would be willing to pay, the tenant confirmed a figure of £800.

"The Landlords case"

14. The proposed rental figure of £1,190 for the bungalow is considered below market value and is backed up by the evidence of 4 comparable properties in the general area. Further, he made a calculation based upon the previous Tribunal decision and applied a figure from the Government Retail Price Index. The landlord confirmed that many of the tenants "so called" improvements were undertaken without the consent of the landlord. Therefore, the landlord considers the proposed rent increase to £1,190 month to be reasonable.

The Law

15. The rules governing a determination are set out in section 14 of the Housing Act 1988. In particular, the Tribunal is to determine the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy, subject to disregards in relation to the nature of the tenancy (i.e. it being granted to a "sitting tenant") and any increase or reduction in the value due to the tenant's improvements or failure to comply with the terms of the tenancy. In the absence of any evidence to the contrary, the Tribunal has proceeded on the basis that the landlord is responsible for repairs to the structure, partial exterior and any installations pursuant to section 11 of the Landlord and Tenant Act 1985 and the tenant for interior decoration and rainwater fittings.

The Valuation

- 16. Having carefully considered all of the evidence provided by the parties, and using its knowledge and experience the Tribunal considers that the rent that would be achieved in good condition with refurbished kitchen and bathroom fittings, a good standard external maintenance, internal renovation, modern services, and carpets, curtains and white goods supplied by the landlord would be £1,550 per month. The Tribunal did its very best to analyse the comparable evidence provided by the Landlord. He provided 4 comparables of varying types within a wide geographical radius. This is a relatively individual property in terms of location and type. Therefore, the Tribunal had to make certain adjustments regarding specification, location, floor area and house type.
- 17. That however is the rent that would be achieved if the property was let in good condition with all modern amenities. In order to determine a rental

value, the Tribunal must disregard any increase in rental value attributable to the tenant's improvements, unless they are carried out under an obligation to the landlord. The Tribunal has not been provided with a copy of the tenancy agreement, and therefore must assume it incorporates the usual repair obligations.

- 18. Based upon the evidence provided to the Tribunal it considered that that the rent should be reduced by £620 (40%) to reflect the need for internal refurbishment and a lack of white goods and carpets provided by the Landlord, lack of central heating and internal configuration. The Tribunal's deduction reduces the rent to a figure of £930 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.
- 19. Therefore the Tribunal determines the market rent in accordance with Section 13(4) of the Act to be £930 per month.
- 21. The Tribunal received no evidence of hardship from the Tenant and, therefore, the rent determined by the Tribunal is to take effect from 1st July 2024.

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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 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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).