

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	CHI/23UD/MNR/2024/0169
Property	:	18 St Johns Square, Cinderford, Gloucestershire, GL14 3EY
Applicant Tenant	:	S Butler & J Childs
Representative	:	None
Respondent Landlord	:	R Guest
Representative	:	C/O Dean Estate Agents
Type of application	:	Determination of a Market Rent Sections 13 & 14 Housing Act 1988
Tribunal member(s)	:	Regional Surveyor Clist MRICS Mrs J Coupe FRICS
Date of decision	:	15 October 2024
REASONS		

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# **Decision of the Tribunal**

# On 15 October 2024 the Tribunal determined a Market Rent of £480 per month to take effect from 30 July 2024.

### **Background**

- 1. By way of an application received by the Tribunal on 23 July 2024, the Applicant tenant of 18 St Johns Square, Cinderford, Gloucestershire, GL14 3EY ("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 19 June 2024, proposed a new rent of £840.00 per month in lieu of a passing rent of £740.00 per month, to take effect from 30 July 2024.
- 3. The tenant occupies the property under an Assured Shorthold Tenancy agreement with a commencement date of 30 March 2023; a copy was provided.
- 4. On 7 August 2024 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 also 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 21 August 2024 and 4 September 2024 respectively, with copies to be sent to the other party. Both parties complied.
- 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, go to the heart of the application.

#### Law

- 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 tenant's improvements and any decrease in value due to the tenant's failure to comply with any terms of the tenancy.

### **The Property**

- 10. In accordance with current Tribunal policy, the Tribunal did not inspect the property but did view the exterior from publicly available online platforms.
- 11. The property is an attached cottage with an original stone-clad frontage, rendered flank wall and masonry lean-to side extension. Internally, there is lounge, kitchen and utility room to the ground floor and two bedrooms and bathroom to the first floor. The property does not have a private or communal garden, nor any allocated parking provision.
- 12. The property is located in the former mining town of Cinderford, along the north-eastern edge of the Forest of Dean and to the west of the River Severn. Access to public transport locally is reasonable. Wider amenities are available in Gloucester, approximately 14 miles to the north-east.
- 13. The property has gas-fired central heating and double glazing. The white goods belong to the landlord, with the exception of the washing machine which is provided by the tenant. Carpets and curtains have been provided by the landlord. The property is furnished.

# <u>Submissions – Tenant</u>

- 14. The tenant states that the landlord had undertaken a repair to a door which was reported in April 2023, the oven was replaced following discussion around May 2023, the roof was repaired in August 2023 and a minor roof repair above the front door was undertaken in January 2024.
- The tenant reports that the property suffers issues with dampness and 15. mould throughout. The ceiling to the kitchen has water ingress during periods of precipitation and puddles appear in the kitchen with no direct source. The tenant states that a dehumidifier is used 24 hours a day yet the living room carpet remains damp at all times. The seals around the windows are broken and as such the windows are not effective. There are several cracks to the plastering, to which the tenant infers is due to dampness, with the larger cracks exposing crumbling sandstone. There is a hole above the living room window that allows for water ingress and the utility room skirting boards are rotten. The tenant states that the mould in the main bedroom is so extensive that the room cannot now be used. Environmental Health reported that there is no insulation to one side of the loft and very little to the other. The EPC rating is D but the tenant advises that the certificate states that there is more loft insulation in place than what was recorded by the Environmental Health department.
- 16. The tenant states that there are nearby bus links with the nearest railway station situated at Lynley 6.9 miles away.
- 17. The tenant has included a one-page 'Condition Report' provided by the local Environmental Health department, dated 11 January 2024. The report lists two hazards recorded in the property, 1) damp and mould growth and 2) excess cold, although it is unclear whether the numbering relates to the number of items or the hazard scores applied to each. The report states that there is damp and mould growth to the main bedroom, dampness in the

hallway, lounge and kitchen and there is no form of extraction to the kitchen. The report further states that there are inadequate forms of insulation to the roof space and bathroom wall. The report gives further details of remediation required to include tracing, sourcing and remedying all dampness internally, to install an extractor fan to the kitchen and to lay adequate insulation to the roof space. Further, the report advises to trace and cure the source of excessive staining to the right-hand side of the front door externally and check if this is deemed to be contributing to the dampness internally and to investigate the integrity of the mineral felt roof to the dormer and surrounding fascias and associated timber.

- 18. The tenant has provided some 232 pages of photographic images, the majority of which are of the defects noted in the property, in addition to screenshots of conversations with the Respondent's representative.
- 19. The Tribunal is grateful to the tenant for providing such extensive photographic evidence and is aided by such. Owing to the quantity provided, the Tribunal gives a precis of the images and captions herein.
- 20. The photographic images evidence the tenants' description of the disrepair noted above. Images show water ingress to the kitchen, extensive damp and mould growth to walls, furniture, curtains and carpets and the tenant's possessions, including clothes, books, shoes and headphones, particularly those stored in the main bedroom and lounge. The photographs show that the second bedroom is a particularly small single room currently occupied with a desk and chair only. The tenants have provided an image of mould growth to a wall in the second bedroom, recently discovered. The tenant includes photographs of a newly purchased double bed used in the main bedroom with extensive mould growth on the outside and on the underside of the mattress which has progressed over time. The bathroom wall has a hole which is covered over with a panel of wallpaper, it is unclear whether this is an external wall or the size of the hold itself.
- 21. The Tribunal noted in particular, the water ingress to the kitchen which shows water running from the ceiling into the light switch. The tenants note that water entered the fuse box. The electric trunking appears to be wet. It is said that there was no response after having reported the issue.
- 22. One image shows a packet of flour stored within a kitchen cupboard covered in mould.
- 23. There are fur growths to the living room carpet.
- 24. A floor level window in the bathroom which the tenant states is loose and dangerous when visiting children are in the property.
- 25. Walls and ceilings show extensive mould and staining from water ingress, particularly to the living room, kitchen, main bedroom and bathroom.
- 26. Within the captions of the images the tenant states that after a recent two week holiday the mould growth upon return was worse. Notably, their health had improved whilst on holiday but deteriorated upon return.
- 27. Screenshots between the tenant and the Respondent's representative discuss the eviction and reasons for, difficulties in the tenant finding

alternative accommodation and the landlord suggesting a mould-removal spray with application advise. The tenant further requests compensation for damage to their double bed from the mould growth.

- 28. The tenants provide a covering letter stating that they were served with an eviction notice in March 2024 as the landlord seeks to occupy the property but they have been unable to find alternative accommodation owing to having a pet and requiring accessible entrances and adapted stairs, not due to their budget of their current rental payment.
- 29. The tenants state that they are unable to use the main bedroom as the mould is affecting their health requiring them to use the living room as a bedroom.
- 30. The tenants state that the property was offered either unfurnished or furnished to which their preference was unfurnished. The property was then supplied with the landlord's furniture.
- 31. By way of comparable evidence, the tenants provide four comparable properties advertised for rent:
  - Coverham Road, Berry Hill, Coleford, GL16. Described as having two bedrooms, 1 bathroom, 1 living room, kitchen and an EPC band C. The property is semi-detached with an enclosed garden and offered for rent unfurnished at £795 per calendar month by Peter Alan of Chepstow.
  - The Crescent, Eastborne Estate, Coleford, Gloucestershire, GL16. The property is described as being semi-detached with two bedrooms, one bathroom, living room, kitchen/dining room, garden and an EPC band D. Pets considered. Advertised for rent by Seal Lettings Limited in Cinderford for £800 per calendar month.
  - Parkend Road, Bream, GL15. The property is described as having two bedrooms, one bathroom, one living room, cloakroom, kitchen/dining room, allocated parking space and front and rear gardens. The property has an EPC band B and was advertised by Aroha Properties in Lydney for £800 per calendar month unfurnished.
  - Wellingtons Grove, GL14. The property is described as being semidetached with two bedrooms, one bathroom, one living room, downstairs w/c, white goods provided, enclosed garden, private driveway for 2 vehicles with EPC of a band B. The property is advertised to let unfurnished for £760pcm with pets allowed, by an independent landlord on OpenRent (Carol S.).

#### <u>Submissions – Landlord</u>

32. The landlord's submission consists of a single letter to the Tribunal, addressing the details surrounding the service of a section 21 notice on 25 March 2024. The landlord's representative states that the two months' notice period have expired and the landlord requires possession of the subject property urgently to reoccupy. The representative cites two reasons for the rent increase sought, firstly owing to the landlord's costs of hotel accommodation and secondly to bring the rent in line with the market.

- 33. No evidence was adduced to support the market rent.
- 34. The landlord's representative states that the tenant's difficulty in finding alternative accommodation within the budget of their current rental level is evidence of increased market rents.

## **Determination**

- 35. The Tribunal considered the parties' submissions and formed the preliminary view that, as a consequence of the purported disrepair of the property, the determined rent may be less than the passing rent.
- 36. As the Tribunal considered taking the unusual step of reducing the rent payable, the Tribunal issued directions on the 17 September 2024 to provide the landlord an opportunity to reply to the tenants' statement on the condition of the property.
- 37. The landlord did not provide a response, nor did the tenant.
- 38. The Tribunal assesses the rent for the property as at the date of the landlord's Notice and on the terms of the extant tenancy.
- 39. 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.
- 40. 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.
- 41. The Tribunal first turned to the tenants' evidence. The four comparables provided are seemingly advertised rents to which it is unknown whether the properties have been subject to lettings, or at the agreed level of rent.
- 42. The Tribunal therefore found that the rental evidence provided by the tenant amounted to a perception of the general tone of asking rents for twobedroom houses within the locality.
- 43. The landlord's representative did not provide any rental evidence although stated that the tenants' difficulty in finding alternative accommodation evidenced that similar properties are beyond their budget. The tenant disputed this and stated non-financial reasons for such. The Tribunal was not convinced of the Representative's preposition as opposed to market evidence.
- 44. The Tribunal therefore also drew upon its own expert knowledge as a specialist Tribunal and, in doing so, the Tribunal determined that a figure of £800 per month is reasonable.
- 45. Once that 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. The property has defects causing dampness, water ingress and mould growth. The Tribunal has given particular consideration to the water ingress to the kitchen which appears to be entering a light switch giving rise to electrical safety concerns. Further, there is a health risk associated with mould to which it was said by the tenants that their health improved during a recent holiday and worsened upon return to the property. A broken floor level window in the bathroom to which the tenants stated was dangerous, damage to the tenants' possessions and the main bedroom rendered unusable due to the mould growth.

- 46. The Tribunal noted the tenants' comments that the landlord's furniture was not required. Photographic evidence provided showed a bookshelf covered in mould growth and therefore of poor condition. The Tribunal has therefore not attributed any value to the supply of landlord's furniture, predominantly on the basis of the tenants not requiring it and in consideration of condition in such an environment.
- 47. In reflection of such differences, the Tribunal makes a global deduction of 40% from the hypothetical rent to arrive at an open market rent of £480 per month. This includes a nominal allowance for the tenants' supply of a washing machine.
- 48. 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 **£480 will take effect from 30 July 2024**, that being the date stipulated within the landlord's 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 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.