

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : HAV/40UD/MNR/2025/0600

9 West Street

Property : Ilchester Somerset

BA22 8NN

Applicant Tenants : Mr G Wills and Mrs P J Wills

Representative : None

Respondent Landlord : Bankway Properties Limited

Representative : Managing Agent - Savills

Determination of a Market Rent -

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

Tribunal Members : Mr J G G Wilson MRICS FCIArb

Mr J Reichel MRICS

Judge D Gethin

Date of Application : 13 December 2024

(received 19 December 2024)

Date of Decision : 24 February 2025

DECISION

On 24 February 2025 the Tribunal determined a market rent of £680 (Six Hundred and Eighty Pounds) Per Calendar Month to take effect from 6 January 2025.

REASONS

Background

- 1. By way of an application received by the Tribunal on 19 December 2024 (dated 13 December 2024), the Applicant ("the tenants") of 9 West Street, Ilchester, Somerset, BA22 8NN (hereinafter referred to as "the property") referred a Notice of Increase in Rent ("the Notice") by the Respondent ("the landlord") of the property under Section 13(2) of the Housing Act 1988 ("the Act") to the Tribunal.
- 2. The Notice, dated 27 November 2024, proposed a new rent of £600 per month in lieu of a passing rent of £550 per month, to take effect from 6 January 2025.
- 3. The tenants have occupied the property under an assured agricultural occupancy tenancy from its term start date of 6 February 1995.
- 4. The Tribunal issued Directions dated 14 January 2025 advising the parties that it considered the matter suitable for determination on the papers unless either party objected, in writing, within seven days. The parties were also advised that, whereas no inspection would be undertaken, the Tribunal would seek to view the property on the internet, (paragraphs 5 and 6 of the Directions respectively).
- 5. The Rent Appeal Statement includes for provision of photographs to assist the Tribunal to understand the case and to help the parties to present the issues.
- 6. The Directions required the landlord and the tenants to submit their completed Rent Appeal Statements ("Statement") to the Tribunal by 28 January 2025 and 11 February 2025 respectively, with copies to be sent to the other party. Pursuant to the Tribunal's Directions, the landlord's agent (Ms Katy Woodfine Oram of Savills) submitted her Statement; the same was copied to the tenants the same day.
- 7. The tenants have not given a Statement but made submissions to the Tribunal in their application.
- 8. Neither party objected to the matter being determined without an oral hearing, so the Tribunal determined the case on 24 February 2025 based on the landlord's Statement, the tenants' application under section 13(4) of the Housing Act 1988 and of its own expert, general knowledge of rental values in the area.

The Property

- 9. The historic market town of Ilchester is on the River Yeo. The A303 dual carriageway is just to the west of the town; and the nearest railway stations are at Yeovil (Pen Mill) and Castle Cary. Ilchester, Lyster Close bus stop is close by.
- 10. 9 West Street is a two-storey terrace house, with rendered façade and pitched tiled roof. The accommodation is: ground floor reception room, kitchen, utility room and outside WC; first floor two bedrooms and one bathroom/WC. Outside there is a rear garden.

The Tenancy Agreement

- 11. In their application the tenants say there is no tenancy agreement, but confirm they have an assured agricultural occupancy which commenced 6 February 1995.
- 12. From the limited information provided on the tenancy agreement and its knowledge of the relevant legislation, the Tribunal concluded section 11 of the Landlord and Tenant Act 1985 (as amended) to apply; and the tenants are responsible for the internal decorations.

Submissions

- 13. Pursuant to and in accordance with the Tribunal's Directions the landlord's agent, Ms Woodfine Oram, submitted her Statement on 14 January 2025 and copied the same to the tenants the same day.
- 14. Ms Woodfine Oram's Statement includes: an outline description of the property; a selection of photographs; and confirms features of the property to include, double glazing provided by the landlord; there is off-street parking and a private garden.
- 15. Under 'Improvements...', various works are outlined, the annual chimney sweep; the installation of a gutter brush; lead works to the utility room to ensure it is water tight; to clear moss; to seal the back door to ensure it is draft proof and to open and close as it should; and to carry out roofing works to replace various tiles.
- 16. Ms Woodfine Oram goes on to say her firm, Savills, last inspected the property on 29 November 2024, with the tenant in attendance. The following items were raised and have subsequently been actioned by local contractors, trickle vents to windows to ensure ventilation; to monitor a windowsill that has a crack in it; and attend to a possible leak in the utility room.
- 17. Ms Woodfine Oram concludes 'The property is generally is in good condition" [sic].
- 18. Ms Woodfine Oram includes four (4) comparable lettings' properties in the range of £925 pcm to £1,025 pcm, each of which is located in the Yeovil, BA22 postcode. Each of the four comparable lettings have common features to the property, being two bedrooms and to be let unfurnished.
- 19. Assuming a rental value of £925 per month, Ms Woodfine Oram makes a deduction, having taken the individual characteristics and condition of the property into consideration, in aggregate of £150 per month, but does not give a breakdown of the same. £925 per month minus £150 per month to equal £775 per month, being "Significantly higher than the proposed rent of £600 per month which was included on the s13 notice."
- 20. The tenants have not given a Statement, but inform in their application to the Tribunal, as follows: (1) the accommodation is as stated by Ms Woodfine Oram; (2) whereas there is no written agreement, their tenancy is an assured

- agricultural occupancy; (3) and they have carried out various works of improvement and repairs, which the Tribunal summarises below.
- 21. The tenants' improvements and repairs: (1) night storage heating and a heater in the bathroom; (2) all curtain tracks and poles; (3) works to the airing and larder cupboards; (4) insulation in the attic; (5) works to internal doors; and (6) upgraded the bathroom and re-installed the external WC.

The Law

Section 14, Housing Act 1988 - Determination of Rent by First-tier Tribunal

- (1) Where, under subsection (4)(a) of section 13 above, a tenant refers to a Firsttier 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 of the dwelling-house concerned or are payable under separate agreements.
 - 22. 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 tenancy. 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.

Considerations and Valuation

- 23. The Tribunal first considered whether it felt able to determine this case reasonably and fairly based on the papers submitted only, with no oral hearing. Having read and considered the papers, the Tribunal decided it could do so.
- 24. The Tribunal is required 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 agricultural occupancy tenancy. The personal circumstances of the tenants are not relevant to the issue.
- 25. The Tribunal notes all the works listed as improvements that have been carried out by the landlord and outlined at paragraphs 15 and 16 above are repairs and the responsibility of the landlord.
- 26. Whereas each of the four comparable lettings to which Ms Woodfine Oram has provided is a two-bedroom house, to be let unfurnished, the Tribunal notes the following additional features, which is not intended to be an exhaustive list.
- 27. "...same repairing terms...", with no evidence to the contrary, the Tribunal has determined the repairing terms are not entirely the same. The tenants of 9 West Street are responsible for internal decorations. In a typical market letting on an assured shorthold tenancy, the tenants' sole repairing obligation is to keep the property in the same condition as that at the term's commencement, fair wear and tear excepted.

- 28. Of the four comparable lettings, one is a terrace house, one is an end of terrace and two are semi-detached. Of the three house types, pro-rata, the terrace house would command the lower rental value.
- 29. All are in good condition, have central heating and three of the four are listed to have en suite bathroom/WC facilities.
- 30. Having considered what the tenants say in their application to the Tribunal and the evidence of Ms Woodfine Oram in her Statement and of its own expert, general knowledge of rental values in the area, the Tribunal determines that the market rent for the property in good tenantable condition would be £900 (Nine Hundred Pounds) Per Calendar Month.
- 31. Such a tenancy would normally include white goods, central heating, carpets, curtains/blinds and associated fittings, all to be provided by the landlord.
- 32. Ms Woodfine Oram has informed the Tribunal of various works the landlords have carried out. The Tribunal has determined these works are those the landlords are responsible for in any event.
- 33. In their application, the tenants have given details of various works they have carried out, which are outlined at paragraph 21 above. The tenants are responsible for internal decorations (fair wear and tear excepted). Accordingly, some adjustments to the market rent are necessary.
- 34. The Tribunal's valuation is shown below:

Market rent in good condition (£ PCM)	£900
Less deductions (£ PCM) for:	
No Central Heating and poor insulation Tenants' liability for internal decorations Tenants' provision of carpets and curtains Tenants' upgrade of bathroom fittings General works of improvements and repairs Tenants' provision of White Goods	£75 £25 £40 £40 £10 £30 £220
Market rent (per calendar month)	£680

- 35. The Tribunal therefore decided that the rent at which the property might reasonably be expected to be let in the open market by a willing landlord under the terms of this assured agricultural occupancy tenancy was £680 (Six Hundred and Eighty Pounds) per Calendar Month.
- 36. The tenants made no representation that the starting date for the new rent specified in the landlord's notice would cause them undue hardship.
- 37. Accordingly, the Tribunal directs that the new rent of £680 per Calendar Month should take effect from 6 January 2025. This being the date specified in the landlord's Notice proposing a new rent.

38. The new rent is higher than the sum of £600 per month sought by the landlord in their Notice. It is the landlord's discretion what new rent to charge their tenants, up to a maximum rent as determined by the Tribunal.

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 rpsouthern@justice.gov.uk 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 days' 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 days' 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.