

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CAM/12UE/MNR/2019/0006

Property: Flat 1 Lodge Farm, Abbots Ripton Road,

Huntingdon, Cambridgeshire PE28 2LB

Applicant (Tenants) : Julie Magnus

Respondent (Landlord): Donald Stanley Pond Agent : Peter Lane Partners

Type of Application : Determination of a market rent under

Section 13 of the Housing Act 1988

Tribunal Members : Judge JR Morris

Mrs M Hardman FRICS IRRV (Hons)

Date of Decision : 2nd May 2019

DECISION

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DECISION

1. The Tribunal determined a rent of £525.00 per calendar month to take effect from 27^{th} March 2019.

REASONS

THE PROPERTY

2. The Property is a ground floor flat in a converted farm house (the Farm House). The Farm House is probably Victorian and constructed of brick under a pitched tile roof. There are 4 flats, 2 on the ground floor and 2 on the first floor. There are communal grounds laid to lawn. There is a drive way around the Farm House off which is parking for several vehicles.

<u>Accommodation</u>

The Property has its own entrance into an entrance lobby off which is a cloakroom (comprising a w.c. with wash hand basin) and the kitchen. From the kitchen there is a corridor to the living room off which is the bedroom which has an en suite bathroom. There is a cellar, entrance to which is from the kitchen.

Services

Space heating is by night storage heaters situated in the kitchen, living room and bedroom. There is a log burner in the living room which also heats radiators in the bathroom kitchen and cloakroom. Water heating is by an immersion heater in a large hot water tank which feeds water to the kitchen and bathroom. The Property has mains electricity, water and drainage.

Furnishing

The Property is let unfurnished.

Location

The Farm House is adjacent to farm buildings which are used as commercial and industrial units. The Farm House and units are situated amongst farmland about half a mile off the main road and about two miles from a retail park on the edge Huntingdon.

THE TENANCY

3. The Tenancy commenced as a contractual Assured Shorthold Tenancy for a fixed term of 6 months on 27th December 2007. A copy of the agreement dated 7th January 2008 was provided. From 27th June 2008 a statutory tenancy on the terms of the written agreement appears to have arisen. Section 11 of the Landlord and Tenant Act 1985 applies in respect of Landlord's repairing obligations. The Landlord's Agent annexed to the tenancy a schedule itemising the respective repair and maintenance responsibilities of the landlord and the tenant as required by legislation and the tenancy agreement.

THE REFERRAL

4. The current rent is £475.00 per calendar month from the commencement of the tenancy payable on the 8th day of each month. The Landlord by a notice in the prescribed form dated 25th February 2019 proposed a new rent of £525.00 per calendar month from 27th March 2019. On 26th March 2019 the Tenant referred the notice proposing a new rent to the Tribunal. The referral was by written representations.

THE INSPECTION

- 5. The Tribunal inspected the external area around the Farm House in the presence of the Tenant and her neighbour Mr Robert Day identified an area of land next to the Farm House which they said harboured rats. The Tenant pointed to where she parked her vehicles referring to her written representations in which she said that her cars had been damaged by rates. They also identified the commercial and industrial units which they said were used by scrap metal merchants and car breakers. There was no activity taking place on the day of the inspection. The Tenant identified the communal grassed area which was surrounded by hedging.
- 6. Externally the Farm House is in fair condition. It has timber windows which have secondary double glazing. Two panes in the living room window of the Property are cracked one of which has a small hole. The decorative finish to the windows is tired. There are upvc rainwater goods.

- 7. Internally the kitchen units are relatively dated but in serviceable condition although there were signs of mildew in the cupboards probably due to condensation. The living room and bedroom are both large. The bathroom although serviceable is also relatively dated and has a shower off the taps of the bath which has been replaced by the Tenant. There were signs of damp in the flat but this may be due to condensation taking in to account what appeared to be the solid wall structure and the need for a balance to be maintained between heating and ventilating the Property. The Tribunal noted that there was an electroosmosis dewatering damp proof system which was connected to an electric socket in the living room of Flat 1 in order to create the necessary electric field to make the system effective. It was noted that Flat 2, the other ground flat had the same system to remedy rising damp in the other half of the Farm House.
- 8. The Tenant took the Tribunal through a door off the corridor into the entrance hallway of Flat 2 which was designated as an emergency exit from Flat 1, the Property.
- 9. The Tribunal did not see the cloakroom or cellar.

THE LAW

- 10. By virtue of section 14 (1) Housing Act 1988 the Tribunal is to determine a rent at which the dwelling-house concerned might reasonably be expected to be let in the open market by a willing landlord under an assured periodic tenancy-
 - (a) 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 rent) are the same as those of the subject Tenancy
- 11. By virtue of section 14 (2) Housing Act 1988 in making a determination the Tribunal shall disregard
 - (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 (as defined by section 14(3) Housing Act 1988) carried out by a tenant otherwise than as an obligation; and
 - (c) any reduction in the value of the dwelling-house due to the failure of the Tenant to comply with any terms of the subject Tenancy.

REPRESENTATIONS

Tenant's Representations

- 12. The Tenant made written representations on the Application Form which are summarised as follows:
 - a) Broken Windows Two of the windows are broken in the living room which rattle and are draughty.
 - b) Electricity The electricity is shared with Flat 2. The smart meter records a higher setting when the occupier of flat 2 turns on the light. The flats should be wired separately. The Tenant said she only had two electric panel heaters,

- a fridge freezer a television and sky box and a laptop but her bills were £123.00 a month which seemed excessive.
- c) Cellar- The cellar is damp due to the guttering overflowing. This causes the water to run down the wall and moss to form. She said she had lost all her stored furniture, computer server and teaching materials costing £20,000.
- d) Kitchen Cupboards The kitchen cupboards are unusable and unhygienic due to mould. The kitchen wall and walkway to the lounge is damp. The occupier of flat 2 has adjoining bedroom (common to the Tenant's kitchen wall) and bathroom wall which are soaked.
- e) Rats There is an infestation of rats due to a lack of pest control by the landlord. The rats have caused damage to the Tenant's vehicles. The Tenant said she had put down bait boxes every fortnight for the past two years at a cost of £14.00 each.
- f) Damp Proof Course-There is no damp-proof course in the Farm House and therefore a Damp-Proof Electric Ring has been fitted which the Tenant understood heated the walls. It is plugged into an electric socket in the Tenant's flat. The Tenant did not see why she should pay for this rather than the Landlord.
- g) Heating The flat has storage heaters but these are too expensive to run. In the first winter for a period of 3 months they cost £1,000. The water tank is "huge" and costs £2 to heat for a shower.

Landlord's Representations

- 13. The Landlord's daughter, Clare Pond made written representations on the Landlord's behalf which are summarised as follows.
- 14. In addition to a large one bedroom flat the Tenant has access to a garden and parking for 2 cars (was 3) plus a horse transport lorry (approx. 4m high x 2.55m wide x 12 m long) and use of areas of the farm to exercise her two dogs, so long as under control/on lead.
- 15. In response to the Tenant's representations it was said on behalf of the Landlord:
 - a) Broken Windows There is a cracked window pane with a small hole and another that is cracked. The windows have secondary glazing and therefore should not be draughty.
 - b) Electricity This is the first time the Tenant has raised the issue of the electric supply not being separate form flat 2. An electrician has been contacted to provide a report. There is an emergency exit for Flat 1 which is through the entrance hall of Flat 2 enabling the Tenant to leave the building by the door to Flat 2. The electricity supply to the light in this hallway may be part of Flat 1's circuit but it is believed that no other part of Flat 2's electricity is linked to Flat 1.

The Landlord provided an extract from the electrician's report immediately prior to the Tribunal's inspection. The electrician stated that he had made a

visual inspection and that the two flats had individual electric supplies. The only 'cross supply' was the light in the hallway of Flat 2 which was also used as an emergency exit for Flat 1. Remedial works had been undertaken to install an emergency light in the hallway of Flat 2 which was connected to the power supply for Flat 1. This is a trickle charging unit for the back upon battering and so should be of minimal cost to run. The light will only be illuminated if the power supply in Flat 1 fails. Otherwise the electrical supplies for Flats 1 and 2 are separate.

- c) Cellar The guttering is cleaned and maintained annually. If rain does come down the walls it would be due to a heavy downpour. In November 2013 a damp specialist carried out work and reported that all had ben done to make the cellar as water tight and damp proof as possible (referred to letter dated 5th November 2013 to the Agent). It was added that no claim for compensation was ever made for the loss of items damaged in the cellar prior to the 2013 work and many of the recovered items were stored in one of the farm barns for years before the Tenant was instructed to collect and remove them.
- d) Kitchen Cupboards the cupboards are wooden and swell with dampness. The damp specialist also reported in 2013 that the damp in the kitchen was due to condensation and recommended that the area was well ventilated.
- e) Rats The farm is managed for rats and mice as and when necessary throughout the year. The car which the Tenant said was damaged was understood to be unusable and no compensation has ever been claimed.
- f) Damp Proof Course Due to the age of the property the Farm House has no standard damp proof course. The damp proof course has two intendent circuits one for Flat 1 which is run off Flat 1's electric supply and the other for Flat 2 which is run form Flat's 2's electric supply. It was understood that the system costs pennies to run a day.
- g) Heating The flat has a wood burner in the living room and a switch to heat 3 water radiators (kitchen, w.c. and bathroom). There is secondary glazing to all windows except the w.c. and bathroom.
- 16. Mrs Pond referred to three letters which she included with her representations. In the first of two letters each dated 2nd May 2013 it was noted that, following a visit to the Property, a number of items were found to be faulty (cooker and hob, ceiling lights and outside lights and bathroom towel rail) but had not been reported, so had not be rectified. It was also said that as Lodge farm is a working farm there is bound to be a certain amount of noise. The second letter referred to the matters which had been or were being remedied following the visit. The third letter dated 5th November 2013 referred to the works carried out on the cellar to make it as damp proof as possible and the need for the Tenant to collect her possessions from the grain barn where they were deposited after the flooding of the cellar due to the barn being required for the harvested grain.
- 17. It was said that the rent of £475 per calendar month had remained the same since 2007 when the tenancy began. it was therefore considered reasonable to increase it to £525 per calendar month.

DETERMINATION

- 18. The Tribunal determines a market rent for a property by reference to rental values generally and to the rental values for comparable properties in the locality in particular. It does not take into account the present rent and the period of time which that rent has been charged nor does it take into account the percentage increase which the proposed rent represents to the existing rent. In addition, the legislation makes it clear that the Tribunal cannot take into account the personal circumstances of either the Landlord or the Tenant.
- 19. As neither party provided evidence of rent form comparable properties the Tribunal used the knowledge and experience of its members. The Tribunal found that modern one and two bedroom flats in and around Huntingdon achieved rents of between £525.00 and £825.00 per calendar month. Those that achieved higher rents are modern purpose-built self-contained flats and maisonettes in good condition with double glazing and central heating. They have a modern kitchen and bathroom, parking and gardens. Flats at the lower end lack one or more of the features of those that command a higher rent. They tend to be older and some are converted from larger properties. Although with modern facilities they may be on the small side.
- 20. The Tribunal applied this information to assess the rent for the Property. From its inspection the Tribunal found the Property to be a spacious one bedroom maisonette, having its own entrance in a pleasant rural location. It had parking, and access to a garden.
- 21. Externally the broken glass in one of the living room windows needed replacing and the decoration was tired. The Tribunal appreciated that rats and mice are a problem on a working farm and is something a tenant would take into account when renting a property in that situation.
- 22. Internally, although the mildew in the kitchen cupboards appeared to be due to condensation nevertheless there did appear to be some signs of damp on the walls notwithstanding the electroosmosis damp proof course. The damp proofing system particularly benefits the Property and uses very little electricity. Therefore, the Tribunal was of the opinion that it would have little effect on the rent.
- 23. The issue with regard to the electricity appeared to have been settled in that the electricians report stated that the supply was exclusively for the benefit of the Property and did not serve and other flat in the Farm House.
- 24. The Tribunal did not inspect the cellar but, from the evidence of both parties, it appeared only to be suitable for storage and the Tribunal took the view that it was equivalent to a garden shed in rental terms.
- 25. Heating by electric night storage heaters and an electric immersion heater in a tank are not as attractive to tenants as a gas or oil central heating system, largely due to running costs.
- 26. The Tribunal found that the general condition, the relatively dated kitchen and bathroom and the form of heating would place the Property at the lower end of the rental market.

27. Therefore, the Tribunal determined that the rental value for the Property to be £525.00 per calendar month to take effect from 27th March 2019.

Judge JR Morris

Caution: The Tribunal inspected the subject property for the purposes of reaching this decision. The inspection was not a structural survey and any comments about the condition of the property in this statement must not be relied upon as a guide to the structural or other condition of the property.

APPENDIX - RIGHTS OF APPEAL

- 1. If a party wishes to appeal the 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.
- 2. 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.
- 3. 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.
- 4. 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.