Notice of the Rent Assessment Committee Decision and Register of Rents under Assured Periodic Tenancies (Section 14 Determination)

Housing Act 1988 Section 14

Address of Premises				The Committee members were		
Rosemary Cottage, Tywyn, Gwyn LL36 9HL		Gwyne		A Povey Lewis		
Landlord Address		Leahurst Caravan Park Limited Crynllwyn, Bryncrug, Gwynedd, LL36 9HL				
Tenant		Celia de Grammont				
1. The rent is:	£350	Per	Month	(excluding water rates & council ta but including any amounts in paras 3&4)		
2. The date the decision takes effect is: 1 st April 2014						
*3. The amount included for services is						
*4. Services charges are variable and are not included						
5. Date assured tenancy commenced			May 1996			
6. Length of the term or rental period			Monthly perio	odic		
7. Allocation of liability for repairs		Landlord				
8. Furniture provided by landlord or superior landlord						

None

9. Description of premises

A detached house with a substantial two storey side extension and two additional single storey lean-to extensions attached to each end of the original structure.

Signed by the Chairman of the Rent Assessment Committee.

Date of Decision	20 th August 2014
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RESIDENTIAL PROPERTY TRIBUNAL

RENT ASSESSMENT COMMITTEE (Housing Act 1988)

- Reference: RAC/0040/03/14 Rosemary Cottage
- Property: Rosemary Cottage, Tywyn, Gwynedd, LL36 9HL
- Landlord: Leahurst Caravan Park Limited
- **Tenant**: Celia de Grammont
- COMMITTEE: S A Povey H Lewis

REASONS FOR THE DECISION OF THE RENT ASSESSMENT COMMITTEE

The rent for Rosemary Cottage, Tywyn, Gwynedd, LL36 9HL is determined at £350 per calendar month (£80.77 per week).

The rent takes effect from 1st April 2014.

Background

- Leahurst Caravan Park Limited ('Leahurst') is the landlord of Rosemary Cottage, Tywyn, Gwynedd, LL36 9HL ('the property'). The tenant is Ms de Grammont. The tenancy of the property began on sometime in May 1996. There is some dispute between the parties as to whether it is an assured or an assured shorthold tenancy pursuant to the Housing Act 1988 ('HA 1988'). That distinction is not an issue for the Tribunal, as it was not in dispute that so far as increasing the rent is concerned, the tenancy is subject to the provisions of sections 13 and 14 of HA 1988.
- By a notice dated 5th February 2014 and served pursuant to section 13 of HA 1988, Leahurst proposed to increase the rent for the property from £346.67 per month (£80 per week) to £600 per month (£138.46 per week). The increase was proposed to take effect from 1st April 2014.
- 3. By an application dated 14th March 2014, Ms de Grammont referred to the proposed rent increase to the Tribunal for determination.

The Inspection

4. The Tribunal inspected the property on 12th June 2014 in Ms de Grammont's presence. There was no attendance by Leahurst.

4.1. Situation, Description and Type of Property

The property comprises of a detached house with a substantial two storey side extension. There are two additional single storey lean-to extensions attached to each end of the original structure. The property is situated within the grounds of Leahurst Caravan Park which fronts onto the A493, some 0.25 mile from Tywyn. Though located in fairly close proximity to the caravan park, the property is screened behind a walled garden and is reasonably private. The property enjoys coastal views. The first floor studio in the side extension is particularly attractive. Parking space is available for two vehicles. The detached double garage does not form part of the property;

4.2 Construction

The original house is of traditional solid stone construction with part rendered elevations. The two storey side addition is constructed of 280mm cavity block with mainly rendered elevations. The main roof is pitched, timber frame and clad in slate.

4.3 Accommodation

The accommodation is arranged on two floors and briefly comprises:

Ground Floor: entrance hall, bedroom 1 with dressing area and en suite bathroom with shower and w/c, inner hallway, living room, second bathroom with shower and w/c, dining room, kitchen, conservatory.

First Floor: main landing, bedroom 2 with wash hand basin, bedroom 3, bedroom 4; separate staircase to studio/sun lounge, kitchen (2).

Outside: Parking space for a minimum of two vehicles, general purpose store, large gardens to front, side and rear.

4.4 Services

Mains electricity and water supply. Private drainage.

5 In assessing the open market rental value, it is relevant to record that the general condition of the property is poor. Whilst not intended to be exhaustive, the following defects were found:

5.1 External Fabric

Roof Coverings:

- Missing and damaged ridge tiles
- Lean-to slate roof incomplete.

Rain Water goods:

- Missing gutter to conservatory
- Leaking gutter joints
- Gutters blocked by vegetation.

Main Walls:

- Defective and 'blown' areas of render
- Render bridging damp proof course with consequential rising damp
- Cracks between window/door openings. Timber lintels rotten
- Settlement cracks to new addition. Stable but defects to render responsible for significant damp penetration
- Differential settlement cracks to single storey additions. Stable but resultant cracking is a contributory factor to penetrating damp.

Windows:

• Windows mostly renewed in PVCu and are double glazed. Satisfactory.

External Joinery:

• Mostly renewed in conjunction with re-roofing works. Satisfactory.

Conservatory:

- Rotting window frames
- High external ground levels resulting in damp penetration
- Polycarbonate roof/flashing leaking
- Conservatory not habitable.

5.2 Internal Condition

Ground Floor

Hall:

• Rising and Penetrating damp to walls

Bedroom:

- Copper cylinder in A/C leaking with resultant damp walls and floors. Plaster contaminated
- Settlement cracks below bedroom/dressing room windows.

Bathroom (Extension):

- Condensation to walls and ceilings
- Dated bathroom suite

Living Room:

- Significant rising damp to front walls. Plaster damaged and deteriorating
- Localised rising damp to other walls.

Bathroom (main building):

- Shower cubicle out of order
- Bathroom suite dated.

Dining Room:

- Significant damp to dining room front wall
- Extensive damp penetration and plaster damage to window reveals
- Timber window lintel rotten.

Kitchen:

- Damaged kitchen units, missing doors, corroded hinges, rotten plinth,
- Dated hot water heating appliance
- Oven and hob out of order (tenant using own LPG gas cooker)
- Loose and poorly configured electrical wiring.

Conservatory:

- Significant damp to walls and floor
- Not habitable.

<u>First Floor</u>

Bedroom 2:

- Hot water heater to wash hand basin out of order
- Peeling paint and plaster to ceiling.

Bedroom 3:

• Not inspected.

Bedroom 4:

• Damp penetration to end wall.

Studio/Sun Lounge:

• Plaster cracks to window reveals and below resulting in damp penetration.

Kitchen:

• Adequate units incorporating oven and hob.

5.3 Services

Electricity:

- Old consumer unit
- Loose/exposed wiring in kitchen

• No test certificates

Water supply:

• Mains supply assumed.

Heating:

• Old electric night storage and panel heaters.

Domestic hot water:

 Copper cylinder is leaking. Substantial damage to wall plaster and floor in G/F bedroom.

Drainage:

• Private Drainage System. Not inspected. Defects alleged.

The Law

- 6. Section 14 of HA 1988 sets out the factors to be considered when determining the rent. Section 14(1) requires us to consider the rent at which the property could reasonably be let on the open market by a willing landlord under a tenancy identical to that of the subject property, save the existing term relating to rent.
- 7. Section 14(2) also requires us, in determining the rent, to disregard:
 - 7.1 Any effect on the rent because Ms de Grammont is a sitting tenant;
 - 7.2 Any improvements to the property attributable to the tenant; and
 - 7.3 Any reduction in the value of the property attributable to a failure by the tenant to comply with the terms of the tenancy agreement.
- 8. We are therefore conversely required to have regard to any improvements undertaken by the landlord and any deterioration in value of the property resulting from the landlord's failure to adhere to its obligations under the tenancy.
- 9. Section 11 of the Landlord and Tenant Act 1985 ('LTA 1985') implies into every tenancy agreement an obligation on the landlord to:
 - 9.1 Keep in repair the structure and exterior of the property;
 - 9.2 Keep in repair and proper working order the installations in the property for the supply of water, gas and electricity and for sanitation;
 - 9.3 Keep in repair and proper working order the installations in the property for water and space heating.
- 10. These implied obligations are subject to the landlord being put on reasonable notice of any disrepair to the property and being afforded a reasonable opportunity to address the disrepair. The parties cannot contract out of the landlord's section 11 obligations (by reason of section 12 of the LTA 1985).

- Knowledge by a landlord's employee or agent (Sheldon v West Bromwich Corporation (1973) 25 P & CR 360) or as a result of a notice under the Housing or Public Health Acts (McGreal v Wake (1984) 269 EG 1254) will suffice to satisfy the test of reasonable notice.
- 12. In addition, the obligation to 'keep in repair' is a continuing one and includes a duty to put into repair even if the premises were in disrepair at the start of the tenancy: *Proudfoot v Hart* (1890) 25 QB 42.
- 13. Both common law and statute afford landlords rights of access for the purposes of both carrying out and inspecting for repairs (see ss8 & 11 LTA 1985, s.148 Rent Act 1977, s.16 HA 1988). The landlord must give reasonable notice (which will be dependent upon the urgency of the repair) and can request the tenant to vacate where repairs can only be undertaken in this way (*McGreal v Wake*).
- 14. By virtue of section 14(7) of the HA 1988, the Tribunal's determination of the rent takes effect on the date specified in the notice served by the landlord pursuant to section 13, unless we conclude that the same would cause undue hardship to the tenant.

The Hearing

- 15. We heard oral evidence from Ms de Grammont. In addition, we had regard to her written representations dated 2nd April 2014 in support of her referral to the Tribunal. Ms de Grammont raised a number of outstanding repairs to the property. She also informed the Tribunal that she had reported the condition of the property to her landlord, its agents and to Gwynedd Council, who had inspected the property and provided a report on its condition. Unfortunately, that report was not available for the Tribunal's consideration.
- 16. Although unable to attend, Leahurst had provided its own written representations dated 8th April 2014, which the Tribunal considered. A number of comparable rents were provided and it was alleged that most of the disrepair to the property had not been reported by Ms de Grammont. Those items that had been reported had been addressed although Leahurst commented that it had never expressly agreed to be responsible for undertaking repairs. As set out above, the repairing obligations under section 11 of the LTA 1985 are implied into the tenancy for this property.
- 17. The Tribunal concluded that it was in the interest of justice for it to have sight of any reports and correspondence between the parties and Gwynedd Council as to the condition of the property. We therefore adjourned the hearing and ordered Gwynedd Council to produce what documents they had pertaining to these issues. We also gave the parties the opportunity to make further written representations upon receipt of any information from the council.
- 18. Further to our order, the Tribunal received and considered a number of documents from the Council. We also received and considered further written submissions from the parties. In reaching our decision, we have had regard to all the documents provided.

Findings of Fact & Conclusions

- 19. From the evidence we have seen, we made the following findings of fact.
- 20. The property was inspected by the Council in September 2013 who had concerns regarding excess cold, sanitation and drainage, pest control, electrical and fire safety, carbon monoxide safety and dampness. The Council wrote to Leahurst on 24th March 2014 and put them on notice of their concerns. In response, Leahurst claimed that Ms de Grammont had begun raising complaints about the condition of the property in August 2013 (when it served notice on her to vacate). By a letter dated 25th April 2014, the Council asked Leahurst to address the said defects and disrepair.
- 21. In response, Leahurst claimed that it was not aware of any problems with the property until Ms de Grammont applied to the Tribunal regarding the rent increase (i.e. 14th March 2014). Leahurst went on to comment that in respect of the electrics, fire safety, cold and damp, the property was in that condition when let. In addition, the drainage problems were addressed when raised and the rat problem was caused by Ms de Grammont leaving her domestic waste in the garage.
- 22. By a letter dated 29th May 2014, the Council again requested Leahurst to remedy the defects and disrepair to the drainage, electrics, fire safety, heating system and damp. In response, Leahurst stated that it did not intend to undertake any work prior to the outcome of these proceedings (letter 3rd June 2014). On 25th June 2014, the Council informed the Tribunal that it was likely to serve an Improvement Notice on Leahurst (per Housing Act 2004) regarding the outstanding disrepair.
- 23. In its written submissions, Leahurst again claimed that it was not aware of any of the defects and disrepair until August 2013 (when it served notice on Ms de Grammont) and even then, much of that highlighted was not reported at all by the tenant. It also highlighted that the Caravan Site Manager had been a regular attendee at the property but access had been denied by Ms de Grammont since March 2014
- 24. In contrast, Ms de Grammont, both in her written and oral evidence claimed to have reported the disrepair to Leahurst and its agents on numerous occasions. She also claimed that agents of Leahurst (Bob Allen and Tina Garbet) had regularly attended and inspected the property during August to October 2013. Around this time, the windows to the property were replaced and renewed.
- 25. The issue of notice was of pivotal importance to the Tribunal. We were satisfied that the condition of the property at the time of our inspection (and set out in detail above) was comparable to its condition at the date of the proposed rent increase (1st April 2014). The inadequate heating system, defective drainage, unsafe electrical wiring and dampness fall within Leahurst's implied repairing obligations under Section 11 of the LTA 1985. Liability for failing to address these repairs only arises if Leahurst has been put on notice and had a reasonable opportunity to undertake the

required works. Once liable, we are required to have regard to the disrepair in determining the rent.

- 26. We are satisfied that Leahurst has been on notice of the disrepair at the property for the purposes of section 11 of the LTA 1985 since at least August 2013 for the following reasons:
 - 26.1 Leahurst's own evidence of Ms de Grammont reporting concerns with the property once it had served notice in August 2013;
 - 26.2 We accepted Ms de Grammont's oral evidence of both Mr Allen and Ms Garbet attending the property during the summer and autumn of 2013, during which they cannot have reasonably failed to notice the condition of the property (as highlighted in the council's letter of September 2013);
 - 26.3 Extensive works to replace the windows throughout the property were undertaken at Leahurst's behest in autumn 2013. Again, in arranging this work, it was reasonable for Leahurst, through its employees and agents to be aware from attending the property of the disrepair;
 - 26.4 The Caravan Site Manager (as an employee of Leahurst) had attended the property throughout this period to undertake work.
- 27. We are also satisfied that Leahurst has had a reasonable opportunity since August 2013 to address the disrepair, ahead of its proposed rent increase effective on 1st April 2014.
- 28. We therefore find that Leahurst, as landlord and by virtue of section 11 of the LTA 1985, is for our purposes liable for the disrepair and defects set out above. It follows that, for the purposes of determining the rent, we must take those defects and disrepair into account.

Calculations

- 29. We were satisfied that, if in good condition with all the outstanding disrepair addressed to an acceptable standard, the market rent for this property would be £650 per calendar month. We based this on the comparable evidence we were provided with and the Tribunal's own skill, expertise and experience. This, we accept, is in excess of what Leahurst was proposing in its notice of increase but it reflects what the Tribunal saw as the potential within this property if and when all the outstanding works are completed.
- 30. However, to that initial market rent, and for the reasons set out above, we made a number of deductions (assessed as a percentage of the initial market rent) to reflect the condition of the property, as follows:
- External fabric repair
 2.00% Defective render and mortar pointing

٠	Window Condition		Replaced by Leahurst
•	No/Part central Heating Electrical	5.00%	Partial heating from inefficient electric night storage heaters; market would expect effective heating especially in house of that type
•	Installation (15% if very poor)	15.00%	Exposed and poorly configured wiring; Old consumer unit; No NICEIC compliance test certificate, Unsuitable condition for letting.
•	Kitchen Units and white goods	3.00%	Dated and in poor condition, missing doors, corroded hinges etc
•	Bathroom/Sanitary Facilities	3.00%	Shower cubicle leaking; bathroom dated and not being used
•	Damp/Timber Decay (15% if severe)	15.00%	Significant damp and timber decay; public health issue
•	Carpets/soft furnishings	2.00%	Threadbare and in poor condition
•	Plaster finishes/Decorations	1.00%	Damp impacting wall and ceiling plaster

31. Applying our findings and conclusions, we determined the rent as follows:

	£	£	£
Market Rent			650.00

Less Adjustments (if appropriate)

	% Deduction	I
External fabric repair Window Condition No/Part central	2.00%	13.00 0.00
Heating	5.00%	32.50
Electrical Installation (15% if very poor)	15.00%	97.50
Kitchen Units and white goods	3.00%	19.50
Bathroom/Sanitary Facilities	3.00%	19.50
Damp/Timber Decay (15% if severe)	15.00%	97.50
Carpets/soft furnishings	2.00%	13.00
Plaster finishes/Decorations	1.00%	6.50

299.00

Revised Rental Value

<u>351.00</u>

- 32. We rounded the assessed rent to £350 per calendar month. The Tribunal concluded that this was reflective of what the market would consider paying, with a view to undertaking the work and even though the property is not currently in tenantable condition.
- 33. Pursuant to section 14(7) of the HA 1988, we were not satisfied that applying our determination from 1st April 2014 would cause undue hardship to Ms de Grammont, given the minimal increase between our assessment (£350) and her current monthly rent (£346.67).

Conclusion

- 34. The assessed rent for the property is therefore £350 per calendar month.
- 35. The assessed rent takes effect from 1st April 2014, the date proposed in Leahurst's notice of increase of 5th February 2014.

DATED this 20th day of August 2014

S A POVEY CHAIRMAN