

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	MAN/00BU/MNR/2020/0061
Property	:	Flat 1 39 Delamere Road, Urmston, M41 5GL
Tenant	:	Ms Catherine Crawley
Landlord Representative	:	Karossa Asset Management LTD
Type of Application	:	s13 Housing Act 1988
Tribunal Members	:	Judge J White Valuer Mr S Wanderer
Date of Decision	:	17 February 2021
Date of Reasons	:	11 March 2021

#### **REASONS FOR DECISION**

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### **Decision**

By a decision dated 17 February 2021, the Tribunal determined, in accordance. with section 14 of the Housing Act 1988, that the open market rent for the Property is  $\pounds$ 620 per month.

#### **Background**

- 1. The Applicant entered into the Assured Shorthold Tenancy of Flat 1 39 Delamere Road, M41 5GL (the Property) on 22 May 2015 at a rent of £495 per month. By a notice dated 26 November 2020, ("the Notice"), the Landlord proposed a new rent of £650 per month to take effect from 22 January 2021. The previous rent being £525, increased in October 2016. No additional services are provided.
- 2. By an application dated 30 November 2020, the Tenants referred the Notice to the Tribunal.

#### The Property and Inspection

- 3. Due to covid-19 restrictions, the Tribunal made an external inspection of the Property. These finding are based on that inspection, and evidence submitted by the parties. We had sufficient evidence, along with our own expertise and knowledge to reach a decision.
- 4. The Property occupies the ground floor of a semi detached villa style house converted into flats. Of brick and interlocking tile construction, the Property is located in a quiet cul-de-sac with a small primary school at the end. The street comprises mainly single family terraced houses and is located in an increasingly popular location in close proximity to Flixton Park. The Property has UPVC windows/double-glazing. The Respondent owns the connected semi-detached property also split into flats over 3 floors. There is a large open garden to the rear of the building.
- 5. The Property has 1 bedroom, 1 living room with through kitchen and a separate bathroom with a shower over the bath. White goods are provided along with carpets. The Tenant states that no furniture is provided by the Landlord.
- 6. From its external inspection, the Tribunal noted that the Property appears in good external condition. The garden at the rear was large with the only access being from the Property down some steps from a small single-story extension. It was open to the neighboring garden, lacking a boundary fence.

### **Evidence of the tenant Applicant**

- 7. The Applicant made written representations to the Tribunal.
- 8. She states that the only properties in the local area at that price are either 2 bedroom or new build and of town centre location and with high EPC rating. The Property is poorly maintained with a low EPC rating. She has been without a living room carpet since February 2016 and has periodically painted internally.
- 9. She submitted a number of photographs showing the painted living room floor, frayed edges to floor coverings, the area around the new windows had not been properly filled, a missing cupboard door to the boiler, some minor defects to the woodwork, tenant

decoration, some evidence of possible mold to a window frame.

#### Evidence of the Landlord Respondent

- 10. The Landlord made written representations to the Tribunal.
- 11. The rent requested is fair and reasonable. The top floor apartments are the nearest comparison but smaller with angled ceilings and no central hearing or garden and some single glazing, with poor bathroom and kitchens. They both rented for £595 a month in less than a week in November 2020. They were advertised at less than market rent. They have submitted copies of the Tenancy agreements signed 12 and 25 November 2020. This refers to use of the garden.
- 12. They have been advised by the agents that the apartments can be rented up to £670 a month. As it is the largest and most modern, they applied a figure of £650, though is worth £670 as is the largest and has a 120 square foot kitchen extension, it has a private garden and, unlike the other ground floor flat, has direct access to the garden, the bathroom is the largest and most modern, it has gas central heating and double glazing fitted in the last 2 years.
- 13. A comparable of Roslyn Avenue, M41 6PJ is 15 minutes walk away, it is in a worse location, smaller and a lower standard. It has just rented for £675 per month.
- 14. They calculate that rents have increased over 37% in the last 6 years would place the rent at £700 per month. The have produced an unreferenced extract stating that the average rental growth in Manchester is 37% from 2014-2019.
- 15. They produce a letter from David Andrews Estate agents dated 30 November 2020 stating that the rents for the flats owned by the Respondent in the 3-floor connecting semi-detached properties is expected to be between £625 and £695 per month. They produce another letter from Home Estate Agents providing rental figures of £625-650.
- 16. They produce photographs dated stamped 14/01/2011 showing an open living kitchen basic kitchen and bathroom, and shower over the bath.
- 17. The carpet in the living room was lifted and the tenant sanded the floor at her request.

### <u>The Law</u>

- 18. The Tribunal must first determine that the Landlord's notice under section. 13(2) satisfied the requirements of that section and was validly served.
- 19. The Housing Act 1988, section 14 requires the Tribunal to determine the rent. at which it considered that the subject property might reasonably be expected to be let on the open market by a willing landlord under an assured tenancy.
- 20. In so doing the Tribunal, is required by section 14(1), to ignore the effect on the rental value of the property of any relevant tenant's improvements as defined in section 14(2) of that Act.

- 21. Section 14(4) provides that for the purposes of section 14 "rent" includes amongst other things any sums payable to the landlord by the tenant in respect of council tax.
- 22. Section 14(4) provides that for the purposes of section 14 "rent" does not include a "service charge" within the meaning of section 18 Landlord and Tenant Act 1985 (i.e. where in accordance with the terms of the tenancy or other agreement a service charge payable by the tenant is variable from time to time according to changes in the relevant costs). However, it does include a "fixed" service charge.

#### **Tribunal's Deliberations**

- 23. The Tribunal determined the Notice to be valid.
- 24. The Tribunal had to assess the rent in accordance with Section 14 Housing Act 1988, being the Rent at which the Tribunal considered that the subject property might reasonably be let on the open market by a willing landlord under an assured tenancy. In doing so it must comply with section 14 (1) of the Housing Act 1988 as referred to above.
- 25. The Tribunal considered that the Landlord's evidence of an estimated rental range broadly accorded with its own knowledge and experience of market rent levels in the relevant area. £650 is the highest amount referred to by Home Agents and in line with the amount obtained for the top flats. Though, the Applicant refers to evidence of higher rents, £650 takes account of the size, standard of fixtures evidenced in the photographs, and shared garden. The Property includes shared, as opposed to exclusive, use of the garden as evidenced in Paragraph 1 of all of the Tenancy Agreements submitted. The Applicant has not referred to any specific comparables or evidenced lower market rents, though refers to lack of available 1 bedroom accommodation in the area. We therefore concluded that the rent at which the Property might reasonably be expected to be let on the open market if the same were in perfect condition would be £650 per month. This includes the benefit of carpets, curtains, and white goods.
- 26. The Applicant does refer to the condition of the Property. The Tribunal assumed that there would be a degree of "wear and tear" in the kitchen and bathroom fittings, having not been updated. The tenant's photographs evidence some degree of internal minor and cosmetic defects. £15 per month is deducted for these aspects. It accepted that the living room carpet had worn out and the tenant had stripped and painted the living room floor and redecorated. The Landlord had not denied that she had undertaken these improvements. A further £15 is deducted for these improvements.
- 27. It was therefore necessary to make the following deductions:

<ul><li>(i) minor defects and cosmetic condition: )</li><li>(ii) dated kitchen and bathroom fittings: )</li><li>(iv) tenant improvements</li></ul>	£15 £15
Open market rent for the Property:	£620 per month.

28. This rent will take effect from 22 January 2021, being the date stipulated in the Notice.

# Judge J White 11 March 2021

#### **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).