



**FIRST-TIER TRIBUNAL  
PROPERTY CHAMBER  
(RESIDENTIAL PROPERTY)**

<b>Property</b>	<b>12 Grange Avenue Leeds LS7 4EJ</b>
<b>Applicants</b>	<b>Michael Hall</b>
<b>Applicant's Representative</b>	<b>Gallagher and Co Solicitors</b>
<b>Respondent</b>	<b>Yating Wang</b>
<b>Case number</b>	<b>MAN/00DA/MNR/2023/0021</b>
<b>Date of Application</b>	<b>23 December 2022</b>
<b>Type of Application</b>	<b>s13(4) Housing Act 1988</b>
<b>Tribunal Members</b>	<b>Tribunal Judge, Katherine Southby Tribunal Member, Amin Hossain</b>
<b>Date of Hearing</b>	<b>20 September 2023</b>

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**Decision and Extended Reasons**

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## **PRELIMINARY**

1. The Tribunal received an application from the Tenant under s13(4) of the Housing Act 1988 referring to a notice proposing a new rent.
2. The existing rent was £780 per month. The Applicant had received a notice (“the Notice”) from the Respondent dated 15 November 2022 proposing a new rent of £1290 per month with effect from 6 February 2023.
3. The Tribunal carried out an inspection of the property on 20 September 2023. The Landlord did not attend. The tenant Mr Hall and Ms Widdop were present.

## **INSPECTION**

4. Upon inspection the Tribunal found the Property to be a Victorian brick-built mid-terrace house with small garden to the rear. The Property has 5 bedrooms, a living room, dining room, kitchen, bathroom and toilet.
5. The kitchen had been replaced by tenants and there was evidence of longstanding rot to the flooring. The interior of the Property was in poor decorative order with evidence of damp and there were holes in the floors, evidence of vermin, sloping floors, a rotten velux window to the upper bedroom and evidence of possible subsidence to the front of the living room.
6. One of the bedrooms on the first floor was unable to be accessed as it was filled with personal belongings identifiably belonging to the Landlord. The Tenant informed the Tribunal that they did not have access to this bedroom as it was used by the Landlord for their belongings, and the Tribunal observed that it was impossible to use or access this bedroom by reason of the volume of belongings piled behind the door.
7. The furniture was the tenants’ own with the exception of a wardrobe and several desks/tables.

## **THE LAW**

8. Section 13(2) of the 1988 Act requires a Landlord seeking to increase the rent of an assured periodic tenancy to serve on the Tenant a notice in the prescribed form proposing a new rent to take effect at the beginning of a new period of the tenancy.
9. For the notice to be valid it must comply with various requirements set out in Section 13(2) of the 1988 Act as amended by the Regulatory Reform (Assured Periodic Tenancies) (Rent Increases) Order 2003.
10. If the notice is valid, Section 14 of the 1988 Act requires the Tribunal to determine the rent at which it considers the property might reasonably be let

in the open market by a willing Landlord under an assured tenancy and in so doing the Tribunal must disregard the effect on the rental value of any relevant Tenants improvements.

11. Section 13(2) of the 1988 Act confirms (amongst other things) the start date for the proposed new rent must not be earlier than  
“ ( c) if the rent under the tenancy has previously been increased...  
(ii)....the appropriate date.”
12. The appropriate date is defined in Sections 13(2)A and 3(B) of the 1988 Act as being a minimum of 52 or 53 weeks after any previous increase.

#### **THE TRIBUNAL’S REASONS AND DETERMINATION**

13. We carefully considered the written evidence submitted to the Tribunal in advance and the information we obtained at the inspection, whether we refer to it or not.
14. The Tribunal had first to determine whether the notice was valid under Section 13(2) of the 1988 Act.
15. The Notice was in the prescribed form and found to be valid.
16. The Tribunal considered the tenancy agreement and noted that it was for a term of 12 months commencing on 6 February 2018 with a rent of £780 per month. The Property is described as *‘the dwelling house situated at and being 12 Grange Avenue LS7 4EJ and together also (in common with others) the right to use the common parts (for example stairwell, kitchen and bathroom) designated by the Landlord for use in connection with the Property.’* The Tenancy Agreement is an Assured Shorthold Tenancy which gives the Tenant the right to quiet enjoyment of the Property without unlawful interruption from the Landlord. The responsibility for decoration rests with the Landlord. The responsibility for repair is as per Section 11 to 16 of the Landlord and Tenant Act 1985 – i.e. the responsibility falls on the Landlord.
17. There are two handwritten annotations at the foot of the lease signed by Mr Hall which state ‘I confirm that I am responsible for maintaining after I rent this property’ and ‘I confirm that I rent the property as is as I seen’ [sic].
18. The Tenant has informed the Tribunal in their application form that the Property is a 6-bedroom house. Upon inspection the Tribunal found it to be a 5-bedroom house, although one of the bedrooms was unusable/uninhabitable as set out below.
19. Email correspondence dated 3 February 2022 [page 53] from Ms Yating Wing, the Landlord to Mr Hall, the tenant states *‘I would like to remind you that I only rent out 4 of the 5 bedrooms in this property to you, you [sic] wife and your two children. Any other people are not allowed to stay overnight without my permission. The main bedroom is reserved for me and my daughter. When I come back to Leeds in the coming months I will move in the same day when I arrive. We will share the two bathrooms, two living rooms, kitchen. Please make sure the common area are clean and hygienic because we share the house together.’*

20. The Tribunal was provided with a summary report (author unknown) on rental prices for 5-bedroom Houses in Chapeltown LS7 [page 82] which states that as at September 2021 the average rental prices for 5-bedroom houses in the area ranged from 1600 to £2,200 per month.
21. The Tribunal was also presented with a range of property information [page 84 to ] for 5 bedroom properties in the area ranging from £1795 to £3010 per month. We note that the LS7 area is large and very diverse in terms of the rental value which properties in different streets are able to command and we were not persuaded that we could give significant weight to property information which was over a mile away, which lacked street name specificity or which, in respect of the Sackville Street example was just under a mile away but in a very different residential area.
22. The LS7 Market Rent Summary [page 91] states that there is no information for 5 bedroom property rentals, but that 4 bedroom properties in LS7 had an average rent of £1005 per month.
23. The Tribunal's task is to consider what would be the market rent for comparable properties let in the private sector on an assured tenancy on the same terms, using its own general experience and knowledge of market rent levels in this area.
24. In coming to its decision on the rent the tribunal applied the above law and had regard to the evidence supplied by the parties in the bundle, and evidence of comparable properties which it had found.
25. The documentation provided to us gives a lack of clarity as to the basis upon which to value this Property. However, we found that whichever approach we took arrived at the same outcome. For example – the Tribunal could consider this to be a Lease with a tenant's repairing obligation which would thereby command a lower rental value, but deductions for Landlord's neglect would not apply, or we could conclude that these manual annotations were not enforceable and treat this as a Landlord's repairing obligation thereby commanding a higher market rent, but with corresponding deductions for neglect and necessary improvements. We concluded that this ambiguity, whilst affecting the route to the valuation did not materially effect the overall outcome of the valuation.
26. We note that there is an assertion by the Landlord that they retain a bedroom in the Property for their own use. It is not for the Tribunal to determine as part of these proceedings the lawfulness or otherwise of this position, although we note the obligation to provide the Tenants with quiet enjoyment of the Property. We have valued the Property on the basis of the tenancy agreement – i.e. as a 5 bedroom Property let as per the terms of the tenancy agreement, and then have made adjustments as set out below for its condition. We have also considered several alternative positions and find that they do not alter our valuation conclusions.
27. The Tribunal considered a range of comparable properties but noted that there were no 5 bedroom properties broadly similar in size, within 1 mile.

28. The Tribunal taking all the evidence into account concluded that in the open market an equivalent property of the same construction with modern amenities, including any which this property did not have, in a comparable location with a landlord's repairing obligation would justify a headline rent of £1500 per month. In particular we took into account the specific location of the property, the fact it is unfurnished, the fact that nearby 4 bedroom properties are stated on the basis of the Landlord's information to be let on average at £1005, and on the Tribunal's own research a nearby 4 bedroom terrace in good condition on Roundhay Crescent, a significantly more desirable address was for rent at £1600 per month.
29. The Tribunal made a deduction of £400 per month for one of the 5 bedrooms being unusable.
30. The Tribunal deducted £200 per month for landlord's neglect – in particular the holes in the floor, evidence of prolonged presence of vermin, sloping floors, subsidence at the front of the Property and poor standard of décor.
31. The Tribunal also deducted £200 per month of necessary improvements being replacement velux window to the second floor, and replacement/modernisation of the kitchen and bathroom.
32. The Tribunal made a deduction of £20 per month for tenant's improvements as we were persuaded that the work done to the property to render it habitable – whilst relatively basic in nature was nevertheless essential, for example to block holes in the floor and to enable there to be a functional kitchen facility in the Property which we consider to be significant to the rental value.
33. By this calculation the Tribunal calculated that the rent at which this property might reasonably be expected to be let on the open market would be £780 per month.
34. Alternatively, the Tribunal considered the value of a 5 bedroom Property with a tenant's repairing covenant and concluded that the rental value of a lease on these terms was £1180 per month. The Tribunal deducted £400 per month for the lack of a usable 5<sup>th</sup> bedroom.
35. By this calculation the Tribunal calculated that the rent at which this property might reasonably be expected to be let on the open market would be £780 per month.
36. Further, and in the alternative, the Tribunal considered this as a 4 bedroom Property, with the 5<sup>th</sup> bedroom set aside by agreement. We considered that the open market value of such a property in good condition was £1200 per month and we deducted £200 per month for landlord's neglect as above, £200 per month for necessary improvement as above, and deducted £20 for tenant's improvements.
37. By this calculation the Tribunal calculated that the rent at which this property might reasonably be expected to be let on the open market would be £780 per month.

38. Finally and in the alternative we considered the Property as a 4 bedroom Property, with the 5<sup>th</sup> bedroom set aside by agreement, with a tenant's repairing covenant. We considered that the rental value of the Property in these circumstances was £780 per month.

## **DECISION**

39. The Tribunal determined that the rent of £780 per month should be effective from 6 February 2023.