

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

Housing Act 1988 Section 14

Address of Premises

30 Straight Mile Court,
Burnley,
Lancashire
BB11 3DU

The Tribunal members were

J.M.Going
A.Hossain MRICS

Landlord

Red Circle Ltd

Address

c/o Neighbourhood Lettings,
Unit 6,
The Courtyard,
2 Finney Lane,
Heald Green,
Cheadle,
Cheshire SK8 3GZ

Tenant

K.Mason

1. The rent is: **£750** Per **calendar month** (excluding water rates and council tax)

2. The date the decision takes effect is: 1 April 2023

3. Date assured shorthold tenancy commenced 1 August 2012

4. Length of the term or rental period Monthly

5. Allocation of liability for repairs As per the Lease dated 24 July 2012 and Section 11 of the Landlord and Tenant Act 1985

6. Furniture provided by landlord or superior landlord

None

7. Description of premises

A modern three-storey townhouse (built approximately 16 years ago) with a garage, shower room with wc and handbasin, utility room, and a bedroom on the ground floor, a living room and a kitchen/dining room on the first floor, and 2 further bedrooms (each with an ensuite) on the second floor. The property also has a front driveway for one car and a fenced grassed rear garden.

Chairman

J.M.Going

Date of Decision

4 October 2023



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

Case Reference : **MAN/00BU/MNR/2023/0142**

Property : **30 Straight Mile Court, Burnley, Lancashire
BB11 3DU**

Applicant : **K. Mason**

Respondent : **Red Circle Ltd**

Type of Application : **For the determination of an open market
rent under an Assured Periodic Tenancy
under Section 13 4(a) of the Housing Act
1988 (as amended)**

Tribunal Members : **Judge J.M. Going
A. Hossain MRICS**

Date of Decision : **4 October 2023**

Date of these Reasons : **18 November 2023**

REASONS FOR THE DECISION

The Decision

The open market rent for the property as determined by the Tribunal is £750 per calendar month effective from 1 April 2023.

Preliminary

1. By an application dated 24 March 2023 the Applicant applied to the First- Tier Tribunal Property Chamber-(Residential Property) (“the Tribunal”) under Section 13(4) of the Housing Act 1988 (“the 1988 Act”) for a determination of the open market rent for the property.
2. He had received a notice (“the Notice”) from the Respondent’s agent dated 28 February 2023 proposing a new rent of £750 per month in place of the existing rent of £675 per month and with effect from 1 April 2023.

Inspection

3. The Tribunal inspected the property on 4 October 2023 with the Applicant in attendance.
4. It is located within an attractive, well laid out “pocket” of town houses and flats in a residential area close to Turf Moor, Burnley FC’s ground.
5. 30 Straight Mile Court is a 3-storey townhouse (built approximately 16 years ago) with a garage, shower room with wc and handbasin, utility room, and a bedroom on the ground floor, a living room and a kitchen/dining room on the first floor, and 2 further bedrooms (each with an ensuite) on the second floor. It has double glazing, carpeting, modern bathroom and kitchen facilities and all mains’ services, including gas central heating. It also has a front driveway for one car and a fenced grassed rear garden.
6. The overall impression was of a modern, tidy, well-presented property in a condition which could be marketed with ease.
7. The Applicant referred to various matters at the inspection which he regarded as disrepairs, including chandelier lightbulbs which could not be easily replaced, an electric socket which did not work properly, one of 3 wcs not draining properly and the grassed area at the rear retaining water.

Evidence

8. The Applicant provided a copy of the Assured Shorthold Tenancy Agreement completed between the parties on 24 July 2012 for an initial term of six months commencing on 1 August 2012 and at the then rent of £625 per month.

9. The Energy Performance Certificate for the property dated 1 September 2018 noted on the Gov.uk website refers a recorded floor area of 103 square metres and an energy rating of “C”.

10. The parties provided minimal submissions, and neither requested a hearing.

The Law

11. 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.

12. 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.

13. 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 tenant’s improvements, and also disregard any reduction in value attributable to a failure by the tenant to comply with the terms of the tenancy.

14. 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”

15. The appropriate date is defined in Sections 13(3)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

16. The Tribunal had first to determine whether the Notice was valid under Section 13(2) of the 1988 Act.

17. The Notice was in the prescribed form and found to be valid.

Consideration and Valuation

18. The Tribunal then went on to consider what would be the open market rent for comparable properties in the locality let in the private sector on an assured tenancy, at the date specified in the Notice. In so doing it had regard to its own general experience of rental values and knowledge of market rent levels in the locality.

19. The legislation makes it clear that the Tribunal is unable to account for the personal circumstances either of the landlord or the tenant.

20. It also confirms, in section 14(2) of the 1988 Act, that the Tribunal when assessing the property must, adjust for (and disregard) any relevant improvements made by the tenant, and have regard to the impact on the rental value of any

disrepair which is not due to a failure of the tenant to comply with the terms of the tenancy.

21. The Applicant is to be commended for keeping the property tidy, and there was certainly no evidence of any undue wear and tear, but nor was there any suggestion or evidence of his having made any improvements which would need to be factored into the Tribunal's determination.

22. The Tribunal next carefully considered the disrepairs which he specifically referred to at the inspection. Whilst not in any way trivialising them, the Tribunal did not find that they, whether considered individually or together, materially affected the present rental value of the property, or marked it out as being substantially different or worse than comparable properties now being marketed in the locality.

23. Consequently, the Tribunal concluded that, in this case, there was no need to adjust its open market valuation to take account of the factors identified in section 14(2).

24. The Tribunal would expect the demand for letting the property in its present condition to be high.

25. In the absence of any comparable evidence from either party, the Tribunal relied on its own expert knowledge as a specialist Tribunal and concluded that the market rent of the property on 1 April 2023 was £750 per month.

26. It was bolstered in its view by its knowledge of the general increase in rents over the period of the Applicant's tenancy, and in particular the recent increases in rents accentuated by a lack of supply and significant demand.

27. Under Section 14(7) of the 1988 Act it is specified that the rent should take "effect from the beginning of the new period specified in the Notice or, if it appears that that would cause undue hardship to the Tenant, with effect from such later date (not being later than the date the rent is determined)" as the Tribunal may direct.

28. In this case, without evidence of undue hardship, and absent of any representations to delay the start date, the Tribunal determined that the rent increase should begin from and be effective from the beginning of the new period specified in the Notice i.e. 1 April 2023.