	**FIRST - TIER TRIBUNAL** **PROPERTY CHAMBER** **(RESIDENTIAL PROPERTY)**
Case Reference	**MAN/30UK/MRA/2026/0194**
Property	**5 Avenham Mills, Avenham Road, Preston, Lancashire, PR1 3TZ**
Tenants	**Coshan Mustafa & Katie Johnson**
Tenants' Representative	**None**
Landlord	**San Rioja Investments Limited**
Landlord's Address	**38 Old Broadway, Manchester, M203DF**
Landlord's Representative	**Amy Ward of Entwistle Green (Preston)**
Date of Application	**1 June 2026**
Type of Application	**Determination of a Market Rent sections 13 & 14 of the Housing Act 1988**
Tribunal Members	**Colin Green (Legal Chairman** **Joanna Bissett FRICS (Valuer Member)**
Date of Decision	**2 October 2026**
Rent Determined	**£800.00 per calendar month**
Date the new rent takes effect	**9 October 2026**

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REASONS FOR THE DECISION

Background

1. Under a tenancy agreement between the parties dated 9 May 2024, an assured tenancy was granted of the Property for a term of 12 months from and including 9 May 2024 to and including 8 May 2025. The rental period is monthly with rent payable in advance on the ninth day of each month.

2. On 19 May 2026, the Landlord served a notice under Section 13(2) of the Housing Act 1988 (as amended) which proposed a new rent of £800.00 per calendar month (pcm) in place of the existing rent of £700.00 pcm to take effect from 9 August 2026.

3. On 1 June 2026, under Section 14 (A3) of the Housing Act 1988, the Tenants referred the Landlord's notice proposing a new rent to the Tribunal for determination of an open-market rent.

Allocation of Repairs between Landlord and Tenant

4. As per the tenancy agreement and section 11 of the Landlord and Tenant Act 1985.

Services Charges or furniture provided by Landlord (other than any carpets and curtain and white goods specified below) and the costs relating to the same

5. None.

Liability for Council Tax

6. The Tenants are responsible for the payment of Council Tax in respect of the Property. The rent determined is exclusive of Council Tax.

Any other terms of the tenancy taken into consideration in determining the rent

7. None.

Hearing & Inspection

8. The Tenants requested an inspection. By an order of 1 June 2026, a legal officer directed that The Tribunal would make its determination based on the evidence submitted and would not carry out an inspection, for the reasons set out in the decision. Neither party requested that the decision be reviewed by a Judge.

9. The Tenants also requested a hearing, which took place via CVP at 10.00 on 2 October 2026. Coshan Mustafa appeared on behalf of himself, and his joint tenant Katie Johnson, and Amy Ward of Entwistle Green (Preston) appeared on behalf of the Landlord. Both parties were given the opportunity to expand on the submissions they supplied or raise any other issues.

The Property

10. The Property is a second-floor flat in a purpose-built block comprising two bedrooms, one with an en-suite shower, one living room/kitchenette, and one bathroom. There are electric radiators and 'wood' flooring, with double-glazing throughout. The Property came with white goods and a washer-dryer.

Evidence

11. The parties completed the relevant MR1 (Tenants), MR2 (Landlord) and MR3 (Tenants' reply) forms.

The Tenants

12. The Tenants made the following comments. The market looks at properties which are in good condition or have been maintained, usually valued at around £800.00 or more. However, the Landlord has neglected the Property and has only carried out work or approved work when they have threatened legal action or mentioned this Tribunal. Therefore, the market value decreases due to neglect of the Property.

13. The bedroom has mould issues which the Tenants reported in 2024 when they moved in. The Landlord has repeatedly ignored repair requests which they have evidence for including repairs for peeling paint on the walls due to a previously hired maintenance worker doing a poor job. The Tenants also had to threaten legal teams in order for the bathroom mould to be fixed. Included in the rent is

a repairman, but the Landlord only completes small and low-cost jobs declining or ignoring the cosmetic requests for the Property, yet proposes a rent increase.

14. Mould is in the bedroom, there is flaking paint on the walls, the floorboards are raised and uneven, skirting boards are peeling, the windows are mouldy due to poor ventilation, the window has a broken seal which has not been actioned and the paint work is patchy and rushed in addition to this the cupboards have a plastic film on the wood which is peeling reducing the aesthetic look of the Property.

15. The Tenants supplied photographs with their application. In terms of rental evidence, no comparables were provided but a rent of £700.00 was proposed, that is, no increase over the current rent.

The Landlord

16. In respect of the condition of the Property, the Landlord stated that it does repairs in a timely manner and reports have been done in relation to the mould and there was no issues with the building: it was reported as condensation, of which the Tenants have been informed. All works have been either completed, approved or instructed. The Landlord does all repairs in full, with no issues.

17. Invoices were attached to confirm works completed and paid for by the Landlord and a works order for most recent instruction. That is an order form from the Landlord's agent to FH Property Services dated 29 May 2026 for mould treatment and painting as quoted: £350.00. At the hearing it was accepted by the parties that this work had been completed satisfactorily by 22 July 2026, prior to the valuation date of 9 August 2026.

18. A Best Price Guide was attached with the market rents showing available and let agreed properties over the last 3 months. It shows the following agreed lets:

a) 1 bed £900.00 x 2 – both in Winckley Square;

b) 1 bed £875.00 x 2 – both in Winckley Square;

c) 2 bed £900.00 x 2 – Winkley Square and Cross Street;

d) 2 bed £850.00 x 2 – 1 in the same block (Avenham Mills) and Cubic;

e) 2 bed £825.00 x 2 – 2 in the same block;

19. Of the available properties that are currently available only 1 beds are less than £800.00, all 2 beds are higher.

Tenants' Reply

20. Concerning the condition of the Property, the Tenants replied as follows:

I would like to address the following statement with contradictory evidence to suggest this is not the case- ' It was reported as condensation which the tenant has been informed of this'- taken from the MR2 form. I now take your attention to Awaabs Law 2025 a law put in place to support tenants rights and health in relation to mould. Please see the below

"It is unacceptable for social landlords to assume that the cause of a hazard, such as damp and mould, is due to the tenant's 'lifestyle'. Social landlords should not make assumptions and fail to take action or to investigate a damp and mould hazard on the basis of, for example, condensation they attribute to the tenant's 'lifestyle'."

The above information was taken directly from the gov uk websites own information regarding Awaabs Law. In addition to this I have attached a document of appendix for full reference but Appendix 1 displays an email chain between Myself and Leigh-Anne Jackson (portfolio manager) where she acknowledges that mould in the bedroom 'possibly not treated properly in the past in the bedroom' - The full email is found in Appendix 1. The email chain mentions an individual named 'Wes' who is a mould specialist and viewed the property investigating both the bedroom and bathroom mould- Wes expressed he would pass on advice to Entwistle Green and the Landlord- no invoices present work done in relation to this and no emails were sent to follow up. These events took place in March 2025. In addition to this mould was present in the living room and bathroom which the landlord was notified of.
See below a timeline of events
Bathroom mould reported 25/01/2025, Email sent detailing legal action 8/12/25
Mould in the bathroom repaired 29/12/2025 - As detailed it took 12 months for work to be carried out see Appendix 2 for evidence of work. i draw your attention to a quote from the landlords MR2 'The landlord does do repairs in a timely manor'. Furthermore 26/01/2025- The living room and bedroom mould was reported work has began commencing on the 29/06/2026 An 18 month period waiting for mould to be addressed by the landlord.

'The landlord does all repairs in full with no issues'- taken from the MR2 form, in addition to the above evidence further evidence is presented below.
29/06/2024- Shower screen reported- no action
18/09/2024- Shower screen reported- Action taken 16/10/24 (4 month wait time).
06/12/2024- Peeling paint reported- 10/12/2024 declined to carry out work Appendix 3.
Evidence provided to support the Market rent displays properties that have no mould or maintenance concerns therefore are an unfair reference to assess the value of the property for the past 2 years this issues have been present.

21. The Tenants did not comment on the Landlord's comparables.

Determination and Valuation

22. Under section 14(1) of the 1988 Act (as amended), the Tribunal is required to determine the rent at which the Property might reasonably be expected to let in the open market by a willing Landlord at the beginning of the new period specified in the Landlord's notice (here, 9 August 2026). Relevant Tenants' improvements or failure of the Tenants to comply with the terms of the tenancy are to be disregarded. Historic issues relating to the tenancy or the personal

circumstances of the Landlord are not taken into account. The personal circumstances of the Tenants are only considered in respect of the date of commencement of the new rent if an application for hardship has been made (which is not the case here).

23. Therefore, the Tribunal must assess a market rent for the Property based on a hypothetical letting on the same terms as the tenancy agreement (apart from rent) by a hypothetical landlord to a hypothetical tenant, as of 9 August 2026. It is the condition of the Property at that date to which the Tribunal should have regard, and it will not take account of any past defects which have been remedied by that date, or whether the Landlord has delayed carrying out works in the past.

24. For this reason, it is not necessary for the Tribunal to make any findings concerning the history of defects and repairs, only to consider the condition of the Property as of the valuation date of 9 August 2026. In the Tribunal's view, the Property was free of any value-significant defects at that date.

25. On that basis, of the Landlord's comparables it is considered that those which should be given most weight are agreed lets for two-bedroom flats at Avenham Mills, the location of the Property, being two at £825.00 and two at £850.00. Of those, £825.00 is considered an appropriate figure. There are no adjustments required for defects.

26. Therefore, the Tribunal considers that the market rental of the Property modernised and in good order would be £825.00

Decision

27. The Tribunal determines the new rent at the amount proposed by the Landlord of £800.00 pcm, as this is lower than the open-market rent of £825.00 determined by the Tribunal, to take effect from 9 October 2026 which is the first new period of the tenancy which begins on or after the date of the determination (2 October 2026).

APPEAL PROVISIONS

If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) on any point of law arising from this Decision. Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this statement of reasons (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013) stating the grounds upon which it is intended to rely in the appeal.