

Rent Abatement Problems

1. Tanisha Tenant began renting a residential property from Lucy Landlord on August 1, 2022, and vacated the property on January 31, 2023. The contractual amount of rent due each month was \$1,200, and Tanisha always paid her rent in full and on time. The premises were defective in numerous respects, including leaking gutters, rotten porches, torn and fallen screens, loose steps, leaking plumbing, falling plaster, peeling paint, rotten kitchen cabinets, electrical problems, and a malodorous “cesspool” in the yard. Tanisha has photographs and videos of the condition of the property. Despite repeated written requests by Tanisha, Lucy failed to make repairs. Prior to moving out, Tanisha called the city inspector who issued a report finding the premises unfit for human habitation due to substandard conditions and violations of the city housing code. In February 2023, Tanisha filed an action against Lucy for retroactive rent abatement. At the hearing she testified that other properties in the area were rented for around \$1,200 per month, but in her opinion, the property was only worth about \$500 per month in the condition it was in during her tenancy. You have heard hundreds of summary ejectment cases, so you are familiar with rental values in the area, and you agree with Tanisha’s testimony.
 - a. What damages would you award Tanisha for her rent abatement claim?
 - b. Was Tanisha required by G.S. 42-42 to provide written notice of the defects? Why or why not?
 - c. What role, if any, does your experience have in determining fair rental value?

2. Luke Landlord owned a house, used as a residence, that was managed by The Realty Company. In June 2022, the month before Tony Tenant rented the residence, The Realty Company received a notice from the city inspection department about violations of housing code provisions at the property which it forwarded to Luke. When Tony entered into a month-to-month lease on July 1, 2022, Luke and The Realty Company agreed to repair several defects at the property in a timely manner; however, they never repaired these defects, and Tony had problems with the electrical outlets as soon as he moved in. On September 1, 2022, a defective outlet caused a fire and power outage at the property, and the fire department told Tony to keep the power off until all the wall outlets had been repaired. When the repairs were still not made by September 15th, Tony did not pay rent for September 2022 and gave his notice to vacate by the end of the month. The Realty Company on behalf of Luke Landlord, filed a summary ejectment action against Tony for nonpayment of rent on September 16th, and Tony filed a counterclaim for rent abatement. Similar homes in the area rent for \$700 per month, but Luke was letting Tony rent the house for \$550 per month because he knew it needed repairs. Tony offered testimony that the fair rental value of the house “as is” was \$250 per month.

- a. What notice, if any, was Tony required to give Luke and The Realty Company of the defects?
 - b. Assuming you find for Tony on his rent abatement claim, what is the maximum amount of damages he would be entitled to?
 - c. How would you rule on Luke's claim for summary ejectment?

3. Teresa Tenant rented a two-bedroom, two-bathroom house from Landowners, LLC for \$1500 per month. In December 2022, the toilet in one of the bathrooms overflowed, and now when Teresa tries to flush it, sewage comes up in the bathtub, so the bathroom is inoperable. The day after the toilet overflowed, Teresa called Landowners, LLC and told them the bathroom was not working and she had turned the water off to that bathroom. A week later, Landowners, LLC sent a plumber out to Teresa's house to fix the bathroom, but she refused to let him in because Landowners, LLC did not call her first to notify her that he was coming. Landowners, LLC made two more attempts to get a plumber to the property, but Teresa stopped answering her phone or returning her messages. In January 2023, Teresa did not pay her rent. Landowners, LLC filed for summary ejectment action against Teresa on January 16, 2023. At the hearing, Teresa claims that Landowners, LLC violated the implied warranty of habitability because her bathroom still does not work and that was why she did not pay rent. She argues that you should dismiss the claim for summary ejectment, or in the alternative, you should reduce the rent in arrears for January.
 - a. What notice, if any, was Teresa required to give Landowners, LLC?
 - b. Do you think Teresa's defense would be successful? Why or why not?
 - c. Even if you abate the rent for January, could Teresa still be evicted?

RRAA Problems

1. Tara Tenant began renting a house owned by Oliver Owner on January 1, 2022. The property was managed by Paul Manager, and per his agreement with Oliver, Paul had authority to make necessary repairs to the property. Almost from the day she moved in, Tara noticed that the house had electrical outlets that did not work, a toilet that would constantly overflow, and a rodent infestation. Tara put work orders into the tenant portal used by Paul's company, but none of the issues were ever resolved. Tara filed an action for rent abatement in small claims court against Oliver and Paul claiming they had breached the implied warranty of habitability by failing to make the electrical and plumbing repairs and by failing to eliminate the rodent infestation. On the day of the hearing, Paul asks the magistrate to dismiss the claim against him because he is just the property manager. How do you rule on his motion?
2. Patty Photographer runs a commercial photography business. She rents a space from Donny Developer for her business. A month after she signs the lease, the air conditioner for her space stops working. Patty calls out a technician who says it needs to be repaired but will not require replacement. When Patty asks Donny to repair the air conditioner, Donny says that maintenance of the air conditioner is her responsibility under the lease. If Patty fails to pay rent the next month, and Donny sues her for summary ejection, how would you rule if she files a counterclaim alleging Donny violated the RRAA?
3. Tommy Tenant moved into his apartment in July. In November, the weather turns cold, and Tommy tries to use the heat for the first time. The unit will not warm up the apartment, so the tenant sends an email to the landlord that the heat needs to be fixed. Lara Landlord replies by saying that the lease states that tenant accepted the property in "as-is condition" and landlord is not responsible for fixing the heat. Is this provision in the lease an enforceable waiver of the implied warranty of habitability?
4. When Tariq Tenant rented a house from Oscar Owner, Oscar explained to Tariq that the rent was \$1,000.00 per month which was below the market value because Oscar knew there were some leaks, a broken window, some windows that wouldn't open, and a problem with sewage drainage in the backyard, but Oscar promised he would fix them once Tariq moved in. Three months after Tariq moved in Oscar had not even begun to work on the problems so Tariq decided to reduce his rent by \$200.00 per month. Oscar filed an action for summary ejection and Tariq filed a counterclaim for rent abatement. At trial, Oscar asks you to dismiss Tariq's counterclaim, arguing Tariq is not entitled to seek rent abatement because the rent was already below market value. How do you rule on Oscar's motion to dismiss Tariq's counterclaim?