



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

**Case reference** : **CAM/00KF/MNR/2025/0667**

**HMCTS code** : **P:PAPERREMOTE**

**Property** : **Flat 5, The Old Saddlery, College Street, Kempston, MK42 8LL**

**Applicant (Tenant)** : **M Kikanovic**

**Respondent (Landlord)** : **V Rausa**

**Type of application** : **Determination of a Market Rent:  
Sections 13 and 14 Housing Act  
1988**

**Tribunal members** : **Mr P Roberts FRICS CEnv**

**Date of Determination** : **2 August 2025**

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**DECISION**

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This has been a remote determination on the papers which the parties are taken to have consented to, as explained below. The form of determination was a paper determination described above as **P:PAPERREMOTE**. The documents that the Tribunal was referred to are in bundles from the Applicant and the Respondent. The Tribunal has noted the contents and the decision is below.

## **Decision**

**The Tribunal determined a market rent of £1,050 pm effective from 21 April 2025.**

## **Reasons**

### **Background**

1. The Landlord served notice under section 13 (2) of the Housing Act 1988 on 17 March 2025 to increase the passing rent from £950 per month to £1,050 per month with effect from 21 April 2025.
2. The Tenant made an application dated 7 April 2025 to the Tribunal in reliance on section 13 (4) of the Housing Act 1988.
3. This rent in all cases is stated to be exclusive of Council Tax, Water Charges and fixed service charges.
4. The Tribunal issued directions on 24 April 2025, inviting the Parties to submit any further representations (including any photographs and details of rentals for similar properties) they wished the tribunal to consider.

### **Property**

5. The Tribunal have not inspected the Property but have relied upon the Parties' submissions together with information in the public domain.
6. The Property comprises a third floor flat in a purpose built building providing one living room, two bedrooms, kitchen and bathroom. It benefits from central heating, double glazing, off-street parking and a communal children's playground.

### **Tenancy**

7. The Property was previously subject to a lease dated 21 November 2021 for a period of 6 months at an initial rent of £750 per month.
8. The Tenants are stated to be Mr Domantus Petrauskas and Miss Milana Kikanovic. However, the Tribunal understands that the Property is only occupied by Miss Kikanovic.
9. Clause 5 sets out the Tenant's repair obligations which include the obligation to:

*"...keep the interior of the Property and the Contents in at least as good and clean condition and repair as they were at the commencement of the tenancy, with fair wear and tear excepted ..."*

10. Clause 10 of the Tenancy confirmed the Landlord's obligations pursuant to section 11 of the Landlord and Tenant Act 1985 as referred to below.
11. Following expiry of this lease, a Statutory Periodic Lease arose.

### **The Law**

12. Section 5 (3) of the Act provides that the periodic tenancy arising on expiry of the Assured Shorthold Tenancy is one:

*“(a) taking effect in possession immediately on the coming to an end of the fixed term tenancy;*

*(b) deemed to have been granted by the person who was the landlord under the fixed term tenancy immediately before it came to an end to the person who was then the tenant under that tenancy;*

*(c) under which the premises which are let are the same dwelling-house as was let under the fixed term tenancy;*

*(d) under which the periods of the tenancy are the same as those for which rent was last payable under the fixed term tenancy; and*

*(e) under which, subject to the following provisions of this Part of this Act, the other terms are the same as those of the fixed term tenancy immediately before it came to an end, except that any term which makes provision for determination by the landlord or the tenant shall not have effect while the tenancy remains an assured tenancy”*

13. Section 14 (1) of the 1988 Act provides that 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 under an assured tenancy:

*a. “having the same periods as those of the tenancy to which the notice relates;*

*b. which begins at the beginning of the new period specified in the notice;*

*c. the terms of which (other than relating to the amount of rent) are the same as those of the existing tenancy.”*

14. Section 14 (2) of the 1988 Act requires the Tribunal to disregard:

*a. “Any effect on the rent attributable to the granting of a tenancy to a sitting tenant;*



*with no light meaning that it is a struggle with children. There is also no garden.”*

19. The Tenant also submitted an email dated 10 April 2025 in which she advised:

*I am currently not working as I am a single mum and also pregnant so my only income is from universal credit and that is what I rely on for my rent costs. I moved into the property in November 2022 with the rent being £750 per month. 1 year later the rent increased to £950 which I could not afford with my ex partner so therefore I got advised by citizen advice to not sign the new tenancy agreement and apply for social housing.*

*The landlord decided to take me to court but there was no outcome of this and was left unknown... ..Universal credit stated that they can only cover the local housing allowance amount for my housing costs which would not be enough for the rent amount of £1,050 per month.*

*I am also on the council social housing register waiting to be rehoused. They have advised me to take this to tribunal which is why I am making an application.”*

### **Representations – The Landlord**

20. Ms Lewis of Homelink Property Services completed the Reply form and stated:

*The Tenants wanted to decorate and lay flooring to their own taste. This was agreed but their (sic) were advised that flooring could not be removed when they vacated. Because of the work done by the Tenants it was agreed that they did not have to pay a security deposit. Flat 6 is of comparable size and the tenant is paying £1,000 pcm. Flat 7 is also of comparable size and the tenant is paying £1,050 pcm.”*

21. Ms Lewis also referred to rents paid on other properties.

### **Determination**

22. The Tribunal has had regard to all the correspondence and evidence provided by the Parties but is unable to refer to or make observations in respect of each point and document provided to it.
23. In determining the market rent, the Tribunal has regard to prevailing levels of rent in the general locality and achieved rental values in respect of other properties of comparable accommodation and provision that would be likely to be considered by a prospective tenant. The current rent, and the period that has passed since that rent was agreed or determined is not relevant.
24. Previous changes in rent are not, therefore, relevant as the Tribunal is required to assess the rent that would be offered by a prospective

tenant who has no knowledge of the existing or previous rents. Similarly, historic rents achieved elsewhere are of limited relevance.

25. The legislation requires the Tribunal to have regard to market demand assuming that the landlord is willing. The Tribunal is therefore unable to have any regard to the personal circumstances or identities of the actual landlord and tenant in assessing the level of rent.
26. It is therefore irrelevant whether or not the Landlord requires the rent to be at a certain level to fund its liabilities and/or its repair obligations under the lease or whether the Tenant feels that the services provided by the Landlord are “value for money.” As such, the cost of mortgage payments and property maintenance to the Landlord does not affect the rent that would be offered by a prospective tenant in the market and must be disregarded. Similarly, the ability, or otherwise, of the Tenant to pay the rent demanded cannot be taken into account.
27. In this regard, whilst the valuation exercise assumes that, regardless as to the condition of the Property, a hypothetical tenant would be prepared to take occupation and negotiate a rent, it does not follow that the actual Tenant and the hypothetical tenant are one and the same. As such, the actual Tenant may be prepared to pay a certain level of rent to remain in occupation for personal reasons whereas the hypothetical tenant is bidding on the assumption that the Property is vacant and to let.
28. In this regard, the Tenant has carried out works to the Property at its own cost and might therefore wish to continue her occupation to gain the benefit thereof. However, any additional sum that the Tenant might be prepared to pay in order to remain in occupation is to be disregarded as the key issue is what an incoming hypothetical tenant would offer rather than what the actual Tenant would pay.
29. The Tribunal notes that the Landlord consented to the works on the basis of forgoing a deposit and reinstatement on lease expiry. There are therefore no grounds for the Tribunal to disregard the Tenant’s alterations to the extent that they add any value.
30. The Tribunal notes the Tenant’s current circumstances and reliance on financial aid which, in turn, is dependant upon the Local Housing Allowance. However, the Tribunal is required to have regard to the Property on the basis that it is vacant and to let and disregard the personal circumstances of the actual tenant.
31. Whilst it is sometimes the case that a property might only be of interest to persons dependent upon financial assistance such that the ability of prospective tenants to offer rent would be dependent upon the amount of financial assistance available to them, the Tribunal does not believe that such circumstances exist in this case.
32. This is because, if the Property was made available on the market, it would be likely to be of interest to persons who are able to self-fund

their rental payments in full who would, in all probability, be able to outbid persons dependent on financial assistance.

33. It is therefore the case that, whilst the Tribunal sympathises with the Tenant's position, it is required to assume that the Property is vacant and to let.
34. The Tribunal notes the rental evidence submitted by the Landlord's representative and, whilst this evidence lacks detail, the values quoted do not appear unrealistic subject to adjustments for the passage of time.
35. Bearing these matters in mind, the Tribunal has reviewed all the evidence provided, relied upon its own expertise and knowledge of such matters and determines the market rental of the Property to be **£1,050 per month**. The rent payable may not, therefore, exceed this figure. However, this does not prevent the Landlord from charging a lower figure.
36. This rent is to be effective from **21 April 2025**.

**Name:** Peter Roberts FRICS CEnv

**Date:** 2 August 2025

### **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).