

	FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)
Case Reference	MAN/00FB/MNR/2026/0343
Property	Flat 12,7-9 Bright Crescent,Bridlington,East Yorkshire,YO15 2PL
Tenant	Nicholas Walker
Tenant's Representative	None
Landlord	Habodel 7 Limited
Landlord's Address	Habodel House, Hatfield Business park, Auckley, South Yorkshire DN9 3FL
Landlord's Representative	Habodel Property Services Limited
Date of Application	15 June 2026
Type of Application	Determination of a Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal Members	Colin Green (Legal Chair) Ken Kasambara (Valuer Member)
Date of Decision	20 August 2026
Rent Determined	£525.00 per calendar month
Date the new rent takes effect	20 August 2026

REASONS FOR THE DECISION

Background

1. Under a tenancy agreement between the parties dated 19 June 2025, an assured tenancy was granted of the Property for a term commencing on and including 23 June 2025 to and including 22 June 2026. The rental period is monthly with rent payable in advance on the 23rd of each month.
2. On 22 April 2026, the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £550.00 per calendar month (pcm) in place of the existing rent of £500.00 pcm to take effect from 23 June 2026. The Tenant has challenged the validity of the notice of increase, but on the basis that the rent increase is too much and the Landlord has classified the Property as a one-bedroom flat but due to absence of a separate bedroom it is a studio flat at best. This is not something which renders the notice of increase invalid, however.
3. On 15 June 2026, under Section 13(4)(a) of the Housing Act 1988, the Tenant referred the Landlord's notice proposing a new rent to the Tribunal for determination of a 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 Tenant is 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 and Inspection

8. Neither party requested an oral hearing. The Tenant did not request an inspection, but in form MR2 the Landlord stated, “The Landlord agrees to the Tribunal making a decision without a physical inspection of the Property if the Tribunal considers this appropriate.” By a decision with written reasons of 27 July 2026 the Tribunal determined that it would make its determination of the market rent based on the evidence submitted (including photographs) and would not carry out an inspection. Neither party has requested that the decision be considered afresh.
9. The Tribunal is satisfied that it can properly consider this case based on the papers provided by the parties and its own knowledge and specialist expertise.

The Property

10. The Property is a self-contained basement flat within Grosvenor House, 7–9 Bright Crescent, Bridlington, a large building converted into flats. The Property comprises: a combined living/sleeping room; a separate, enclosed kitchen; a separate bathroom/WC; a double-glazed front door and uPVC double-glazed windows; and an electric wall heater. There is no gas supply, and no furniture is provided under the tenancy. There is garden maintenance provided by the Landlord, from May to October, but no separate service charge in respect of this.
11. The Energy Performance Certificate (EPC) records a total floor area of 46 m². The floor plan submitted by the Tenant records the property at approximately 37.7 m², comprising a lounge of 4.40m x 4.10m, a bathroom of 3.53m x 1.95m, a kitchen of 4.4m x 1.70m, together with a hallway.
12. An Electrical Installation Condition Report (EICR) has been carried out in respect of the Property, and the electrical installation has been assessed as satisfactory.

Evidence

13. The parties completed the relevant MR1 (Tenant), MR2 (Landlord) and MR3 (Tenant's reply) forms. The Tenant has supplied photographs of the interior and exterior of the Property and the Landlord's inspection report contains details and photographs of an inspection undertaken on 25 June 2025, soon after the grant of the tenancy.

Issues

14. The issues arising between the parties, and their respective contentions, are dealt with under the following heads.

Condition

15. The Tenant complains that there is severe damp, mould, and forced electrical ventilation. He says the Property suffers from chronic structural damp. There are ongoing issues with the state of the communal rubbish bins directly outside the Property. The severe buildup of rubbish and the resulting odour and pest risks means he is unable to open his windows, cutting off natural ventilation, and severely worsening the Property's existing damp issues. He runs a 20-litre dehumidifier (emptied twice a day) alongside the bathroom extractor fan, both continuously.
16. The Tenant has supplied photos of areas of plaster falling off a wall, but according to his email of 15 June 2026 these photos are of the corridor outside the entrance to the Property, within the building but not inside the Property itself.
17. The Landlord considers that any condensation and associated mould at the Property is attributable to the Tenant's lifestyle and use of the Property rather than to any structural defect in the Property itself. The Tenant was provided with Habodel's condensation, damp and mould guidance as part of the tenancy documentation at the outset of the tenancy. The Landlord contends that the Property is a basement flat and adequate ventilation by the occupant is essential to prevent the build-up of moisture and condensation. As noted in that guidance, everyday activities such as breathing, cooking, washing and drying clothes add significant moisture to the air inside a home, and the occupant must

take appropriate steps — including adequate ventilation — to manage condensation.

18. The Landlord is suggesting that any damp and mould issues are as the result of inadequate ventilation, and that presumably the Tenant should leave windows open for extended periods of time, which is the only means of ventilation available that is not already used. Even if this was a necessary corrective however, there is the issue of the smell and flies from rubbish in the summer if the windows are opened, and how cold the Property would be in winter with open windows and the increased cost of keeping it properly heated. The difficulties in dealing with such issues is a factor to be borne in mind in assessing an appropriate market rent. That is to say, the Tribunal finds there are problems with damp and mould. To the extent they are not the result of structural matters (bearing in mind this is a basement flat) opening windows to deal with such issues would give rise to other, value-significant considerations such as an increase in electricity consumption.
19. The Landlord states that the accumulation of rubbish outside the Property is a matter for the building's management and the other occupants of Grosvenor House. It is claimed this is not a defect in the Property itself, nor is it a matter for which the Landlord bears sole responsibility in the context of this tenancy. Irrespective of the extent to which it is the responsibility of the Landlord to deal with the accumulation of rubbish, smells and rubbish were identified as issues in the Landlord's inspection report, so they have been ongoing for some time, and must be relevant matters in considering a market rent for the Property.
20. The Tenant claims the Property suffers from regular slug invasions. Due to structural gaps left behind the skirting boards, he has had to resort to plugging the holes with kitchen roll to keep pests out. The Landlord claims that under the terms of the tenancy agreement such matters should have been reported by the Tenant, but it is noted that the Landlord's inspection report refers to slugs, and therefore it appears to have been aware of the issue since just after the grant of the tenancy.

21. In addition, concerning disrepair, the Landlord submits that although any disrepair attributable to the Landlord's failure to repair (if established) may be taken into account by way of a reduction from the open market rent, the Landlord does not accept that there is any significant disrepair for which it is responsible that would materially affect the rent. In the Tribunal's view, although a deduction due to landlord's disrepair can be made if it affects the market rent, adjustments can be made concerning the condition of the Property generally, irrespective of whether an item constitutes a landlord's breach, provided that it has not been brought about by a breach of a tenant's covenant (s. 14(2)(c) of the 1988 Act).
22. The Property has no central heating. The Tenant relies solely on electric heaters, which are expensive to run. This significantly increases his total living costs compared to a property with standard heating. The Landlord's response is that the Property was advertised as having electric heating, it was never stated it would ever have gas fitted. Nevertheless, the high overhead of electric heating, combined with the running cost of the dehumidifier and electric fan in the bathroom, and daytime lighting, should be borne in mind when considering a market rent for the Property.
23. The Tenant also says he is unable to use or access the back outdoor area of the building due to an extreme buildup of pigeon droppings everywhere, which poses a severe sanitary and respiratory risk. It is noted however, that the tenancy agreement defines the property let as "Flat 12, Grosvenor House, 7 to 9 Bright Crescent, Bridlington" so that the outdoor area does not form part of the demise and no right is granted to make use of it.

Lack of Basic Media Utilities

24. The property has no phone line and no TV points installed. The Tenant claims that the lack of a standard connectivity infrastructure further reduces the Property's utility and its competitive value on the modern open market. The Landlord disputes this, stating that in the modern rental market, the vast majority of residential tenants use mobile broadband (including 4G and 5G connectivity) and streaming services (such as Netflix, Amazon Prime Video and

similar platforms) and do not require fixed telephone lines or TV aerial points. These features have become largely redundant in modern residential lettings. The Tribunal agrees that the absence of a fixed telephone line or s TV aerial point is not a value-significant matter.

Location

25. Due to the basement location, the natural light in the combined living/sleeping area is so poor that the Tenant must keep the main electric lights turned on during the daytime. The Tenant also states that while the building is situated on the seafront, since his flat is in the basement it has no windows positioned to view the sea, meaning the tenancy receives none of the premium, open-market value or benefit typically associated with a seafront location. The Landlord states that the Tenant will have been aware of this, along with the poor natural light, when he took the tenancy but in the Tribunal's view the fact that the Property is a basement flat with restricted natural light is relevant when considering the market rent.

Is the Property a Studio Flat or bedsit?

26. There is a dispute as to how the Property should be classified, which might have some bearing on how the parties' comparables should be treated. The Tenant contends that the fact that the bed and living space are in the same room means the Property is a studio flat at best and cannot be valued at the same rent as a one-bedroom flat.
27. The local council's housing team have formally assessed the Property as a bedsit and refused a Local Housing Allowance (LHA) increase on the grounds that £550.00 is significantly overvalued for a single-room living layout. The current LHA rate only covers £330.00.
28. Although there is no official definition of what comprises a studio flat, generally, it is taken to mean a small flat where the bedroom, living room, and kitchen are all in one single open room, and where only the bathroom has its own separate walls and door. On that basis, the Property does not qualify as a studio flat, since although the sleeping and living area are combined, the kitchen and bathroom are separated by walls, albeit that the door space to the kitchen has no door.

29. A bedsit is considered to be a rental in which the tenant shares a bathroom and sometimes a kitchen with neighbours. That is not the case here.
30. In addition, the Landlord submits that LHA classifications made for housing benefit or Universal Credit purposes are not determinative of the correct classification of a property for the purposes of a Tribunal rent determination, nor are they determinative of the open market rent. The Tribunal is required by section 14 of the Housing Act 1988 to determine the rent at which the Property might reasonably be expected to be let in the open market by a willing landlord under an assured tenancy on the same terms. This exercise is based on the actual physical characteristics of the Property as they exist, not based on how the local authority has categorised the Property for benefit entitlement purposes, which is an entirely separate administrative assessment carried out for a different purpose under a different legislative framework.
31. The Tribunal agrees that this is the correct approach, and that it should have regard to the nature and extent of the accommodation in comparison to other flats. The fact that the bedroom and living room are a single room is significant, however.

Comparables

32. The Tenant has supplied the following comparables, being online details of flats available to let in the YO15 postcode, based on which he submits that a market rent for the Property should be £475.00 pcm:
- a) 22 Fairfield Road – second floor studio flat at £425.00 pcm;
 - b) Vernon Road – studio flat at £500.00 pcm;
 - c) Wellington Road – first floor studio flat at £400.00 pcm;
 - d) North Street – one-bedroom flat at £430.00 pcm;
 - e) Trinity Road – first floor studio flat at £425.00 pcm;

- f) Trinity Road – ground floor studio flat at £425.00 pcm
33. The Landlord responded in respect of comparables c), e) and f), stating that all three are studio flats. Studio flats in Bridlington are typically significantly smaller than the Property. A studio flat generally comprises a single room combining sleeping and living space, often with a kitchenette (rather than a separate kitchen), typically in the range of 20–30 m². The Property, by contrast, has a separate, enclosed kitchen and a separate bathroom/WC in addition to the main living/sleeping room, making it a materially larger and more functional dwelling than any of the comparables submitted by the Tenant. The Tenant’s comparables are therefore not like-for-like comparisons with the Property.
34. In addition, comparable f) is listed on OnTheMarket as ‘ALL BILLS’ included. This means that the headline rent of £425.00 pcm incorporates utilities such as gas, electricity and water charges within the rental figure. The Property is let without any bills included. Under clause 5.10 of the tenancy agreement, the Tenant is responsible for paying all charges for water, gas, electricity, TV licence, phone and broadband directly to the relevant supplier. On a like-for-like basis (i.e., excluding the cost of bills from comparable c) rent), the effective net rent for that property would be materially lower than £425.00 pcm, making it an even less appropriate comparison for the subject Property.
35. Also, the Property’s location on Bright Crescent is more desirable than the locations of each of comparables c), e), and f), which are inland streets located further from the seafront than Bright Crescent, which further undermines their suitability as comparators for the purposes of the determination.
36. The Tenant’s response to this is that “true one-bedroom flats” within Grosvenor House are rented out for £550.00 a month. The Tribunal understands this to mean that such flats have a separate bedroom and living room, not combined as in the Property, and a larger square footage. The Tenant claims that the Landlord is seeking to charge the exact same premium rate for a smaller, basement Property with fewer rooms.

37. He also states that his comparables are only 500 to 750 meters away from the Property and are located within the same immediate neighbourhood and walkability zone to the seafront and town amenities.
38. The Landlord's comparables are as follows:
- a) Fort Terrace – a studio flat, a recently agreed let at £650.00 pcm;
 - b) Grosvenor House – a one-bedroom flat advertised at £650.00 pcm;
 - c) Grosvenor House – a first-floor studio flat advertised at £650.00 pcm;

Determination and Valuation

39. The Tribunal considers that in respect of the Tenant's named comparables, it is likely that the studio flats relied on are significantly smaller in size than the Property and/or that there are fewer rooms. It is difficult to justify a substantial reduction in rent from £500.00 pcm agreed in June 2025 to £475.00 pcm as of 23 June 2026, the date of increase.
40. Concerning the Tenant's claim that there are one-bedroom flats at Grosvenor House currently let at £550.00 pcm, it is not known when those rents were agreed, and the Landlord's comparables b) and c), even though asking rents, suggest the current market rent is £650.00 pcm, even for a first-floor studio flat (but dimensions unknown).
41. Regard must be had to the fact that the Property is a basement flat however, with limited natural light, and that although on the seafront it does not have a sea view. Although larger than a studio flat or bedsit, there is a combined living and bedroom space, not separate rooms, which is significant.
42. Relying on its own expert, general knowledge of rental values in the area, and the comparables provided by the parties, which cover a wide range, the Tribunal considers that the market rental of the Property, modernised and in good order, would be £550.00 pcm.

43. From this level of rent, the Tribunal has made a deduction of £25.00 pcm to reflect what it considers to be value-significant matters identified in paragraphs 15, 18, 19, 20, and 22 above, producing a final figure of £525.00 pcm.

Undue hardship

44. The new rent takes effect from the date specified in the Landlord's notice of increase (23 June 2026) unless that would cause undue hardship to the tenant. In cases of undue hardship, the Tribunal has a discretion to fix a later starting date up to the date a Tribunal makes its determination (20 August 2026).
45. The Tenant has asked the Tribunal to fix a later starting date in this case. He states that the proposed £50.00 monthly rent increase will cause him immediate and severe financial hardship. His income consists entirely of Universal Credit and a war pension. Currently, the Property forces him to use his entire monthly war pension of £198.00 just to bridge the shortfall and cover the existing £500.00 pcm rent. He is already in an unsustainable position, actively paying an extra £50.00 a month to catch up on arrears, which severely restricts his ability to afford necessities like food. Furthermore, he has to pay high utility bills (see above). The proposed rental increase would be out of his financial reach and would leave him unable to afford basic sustenance.
46. The Landlord acknowledges the Tenant's personal circumstances as described in his MR1 application, namely that he is a medically retired military veteran living with a chronic health condition (COPD) and that his income consists of Universal Credit and a war pension. The Landlord has sympathy for the Tenant's position.
47. The Landlord states that the Tribunal's function under section 14 of the Housing Act 1988 is to determine the open market rent for the Property — that is, the rent at which the Property might reasonably be expected to be let in the open market — and not to set a rent based on the individual financial circumstances of the Tenant. Hardship is not a statutory basis for reducing the open market rent below its true market value for the purposes of a section 14 determination, and the Tribunal has no power to do so on grounds of hardship alone.

48. The Tribunal agrees, and the figure it has determined as the open market rent for the Property has not taken into account the Tenant's personal circumstances. It can do so however, in deciding to postpone the date of commencement of the new rent. Given the Tenant's financial issues, even with a rent of £525.00 pcm, the Tribunal considers that for the increase to take effect from the date in the Landlord's notice would cause undue hardship, and accordingly sets the starting date for the new rent as 20 August 2026.

Decision

49. Therefore, the Tribunal determines the market rent at £525.00 pcm with effect from 20 August 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.