	**FIRST - TIER TRIBUNAL** **PROPERTY CHAMBER** **(RESIDENTIAL PROPERTY)**
Case Reference	**HAV/24UF/MRA/2026/0040**
Property	**24 Derwent Road, Lee on Solent, Gosport, Hampshire, PO13 8JG**
Tenant	**Sophie Craik** **Benjamin Peach**
Tenant's Representative	**-**
Landlord	**Mr Michael Budnyj** **Mrs Elizabeth Budnyj**
Landlord's Address	**Abbey Cottage, Mill Lane, Titchfield, Fareham, Hampshire, PO15 5DX**
Landlord's Representative	**Chambers Sales and Lettings**
Date of Application	**18 July 2026**
Type of Application	**Determination of an Open-Market Rent sections 13 & 14 of the Housing Act 1988**
Tribunal Members	**Mr W H Gater FRICS (Chair)** **Ms S Johnson**
Date of Decision	**14 October 2026**
Rent Determined	**£1,450 per calendar month**

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Date of Valuation	**14 October 2026**
Date the new rent takes effect	**19 October 2026**

REASONS FOR THE DECISION

Background

1. On 12 May 2026, the Landlord served a notice under Section 13 (2) (as amended) of the Housing Act 1988 which proposed a new rent of £1,575 per calendar month (pcm) in place of the existing rent of £1,425 pcm to take effect from 19 July 2026.

2. On 18 July 2026, under Section 14 (A3) of the Housing Act 1988, the Tenant referred the Landlord's notice proposing a new rent to the Tribunal for determination of an open-market rent.

3. The tenancy commenced on 19 December 2023. The rental period is monthly.

Allocation of Repairs between Landlord and Tenant

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

Liability for Council Tax

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

Hearing

6. Neither party requested an oral hearing.

The Property

7. The Property is a semi-detached house, offering the following accommodation:

Property:

Entrance hall
• Open-plan living/dining room
• Kitchen
• Bathroom
• Three bedrooms

Outside: Private rear garden
• Garage in separate block
• External lean-to

The Property benefits from full double glazing and gas-fired central heating serving radiators except in the third bedroom.

The Property is situated in a residential area of Lee on Solent to the south of Solent Airport and about 0.5 miles from the Solent.

Evidence

8. The parties completed the relevant MR1 (tenant), MR2 (landlord) and MR3 (tenant's reply).

The Tenant

9. The Tenant made the following comments:

    a) The Tenant provided photographic evidence and points to issues with mould and dampness at the property, particularly in the third bedroom which is not centrally heated. There are leaks under the bath and from the boiler. There is no cavity wall insulation and the level of insulation in the roof is below the required level. They also refer to worn floor covering and fitted furniture.
    b) The Tenant considers that a rent increase is not fair due to health hazards – mould and poor heating, lack of maintenance and poor outdated kitchen and bathroom fixtures.

10. The Tenant provided the following comparables:

    a) A 3-bed end of terrace house in Skipper Way, Lee on Solent - £1,300 pcm

The Landlord

11. The Landlord made the following comments:

    a) Maintenance items referred to by the tenant such as door handle and bath repairs do not materially affect rental value.
    b) The Landlord has taken steps to address necessary works including damp/mould, ventilation, heating and other maintenance issues. A new boiler has been installed.
    c) The EPC rating is D
    d) The rent proposed takes into consideration the relatively small third bedroom and some older fixtures and fittings.

12. The following comparables were provided by the Landlord:

    a) Glenney Close, Lee-on-the-Solent - 3 bed detached house - £1,800 pcm.
    b) Magister Drive, Lee-on-the-Solent - 3 bed house - £1,650 pcm.
    c) Marine Parade East, Lee-on-the-Solent - 2 bed flat - £1,600 pcm.
    d) Gosport Road, Lee-on-the-Solent - 2 bed semi-detached - £1,550 pcm.
    e) Esmonde Close, Lee-on-the-Solent - 3 bed end terrace - £1,500 pcm.
    f) Fell Drive, Lee-on-the-Solent - 3 bed terraced house - £1,500 pcm.
    g) A Rightmove best price guide ranging from £1,500 to £1,800 pcm.

Determination and Valuation

13. Under section 14(1) of the Housing Act 1988 (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. Relevant Tenant improvements or failure of the Tenant 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 Tenant are only considered if an application for hardship has been made.

14. The parties agree that works to address some of the issues were carried out in 2026, and the Tenant accepts that these should be taken into account. The Tribunal has considered the evidence concerning mould and damp and finds that the Landlord has made significant efforts to address these issues, including works to possible external sources of moisture, internal remedial works and the installation of a new boiler.

15. The comparable evidence provided by the parties has been considered. The tone of rents for a property of this type suggests rents in the region of £1,500 to £1,600 pcm. The Tribunal considers the Esmonde Close and Fell Drive properties to be the most helpful comparables. The Skipper Way property is inferior and appears to be an outlier from the general pattern. The remaining properties differ in type from the subject Property and are therefore of less assistance to the Tribunal.

16. There are, however, residual factors regarding the effects of mould on decoration and the issues around only having partial central heating. These should be reflected in rental value.

17. Relying on its own expertise and general knowledge of rental values in the area, and the comparables provided by the Landlord and Tenant, the Tribunal considers that the market rent of the subject Property modernised and in good condition would be in the order of £1,500 pcm. This is the rent we would expect the property to let for in the open market at the valuation date, if it were in the same general condition as expected by the market.

18. The full valuation is therefore shown below:

Starting Rent	£ 1,500 pcm
Less	
a) To reflect items noted under 16 above	£ 50 pcm
Open-Market Rent	**£ 1,450pcm**

Undue hardship

19. The new rent takes effect from the date which is the beginning of the first new period of the tenancy which begins on or after the date of the determination 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 two months after it makes its determination.

20. The Tenant has indicated that an increase in rent will cause hardship as one tenant is on low income.

21. The Landlord has offered no evidence in response.

22. The threshold for demonstrating undue hardship is high. The Tenant has produced no evidence to support their submissions. On the basis of the evidence provided, the Tribunal considers that the increase to take effect from the date the Tribunal makes its determination would not cause undue hardship and does not fix a later starting date.

Decision

23. The Tribunal determines the new rent amount at **£1,450 per calendar month** with effect from 19 October 2026 which is the beginning of the first new period of the tenancy which begins on or after the date of the determination.

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 after 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.