	FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)
Case Reference	BIR/00FK/MRA/2026/0062
Property	45 Babington Court, Gower Street, Derby, DE1 1RH
Tenant	Renan Vandre Da Silva Toscano Saes
Tenant's Representative	None
Landlord	L1 UK Property Nominee A1 Pty Ltd & L1 UK Property Nominee A2 Pty Ltd
Landlord's Address	Level 13, Cavendish Square, London, W1G 0PW
Landlord's Representative	Leaders Limited 2 Wharton's Yard, St Peter's Street, Derby, DE1 1SH
Date of Application	2 August 2026
Type of Application	Determination of an Open-Market Rent sections 13 & 14 of the Housing Act 1988
Tribunal Members	Tribunal Judge C Payne Tribunal Member Ms Julie Rossiter MBA MRICS
Date of Decision	21 October 2026
Rent Determined	£885 per calendar month
Date of Valuation	9 October 2026
Date the new rent takes effect	9 November 2026

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REASONS FOR THE DECISION

Background

1. On 9 July 2026, the Landlord served a notice under Section 13 (2) (as amended) of the Housing Act 1988 which proposed a new rent of £925.00 per calendar month(pcm) in place of the existing rent of £830.00 pcm to take effect from 9 October 2026.

2. On 2 August 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 9 July 2025. The rental period is monthly.

Allocation of Repairs between Landlord and Tenant.

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

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

5. No services or furniture are provided by the Landlord. The tenancy is let unfurnished and the Tenant pays for all utilities.

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. The Tenancy Agreement contains a negotiated clause prohibiting the Tenant from using or gaining access to the loft space/area except in an extreme emergency. No other special terms were drawn to the Tribunal's attention.

Hearing

8. Neither party requested an oral hearing or an inspection. Both parties agreed to the Tribunal making a decision without an inspection and without a hearing. The Tribunal has considered this case on the basis of the papers provided by the parties and its own knowledge and specialist expertise.

The Property

9. The Property is an unfurnished flat forming part of a modern development, offering the following accommodation:

   Property: 2-bedroom, unfurnished flat with balcony, gas central heating and double glazing. Carpet flooring mainly at Level 1 and wood flooring mainly at Level 2 (duplex layout).

   Outside: Balcony.

   The Property benefits from gas central heating (boiler and radiators), double glazing and an EPC energy rating of C.

   The Property is situated in Gower Street, Derby, DE1, within the Babington Court development.

Evidence

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

The Tenant

11. The Tenant made the following comments:

    a) The Tenant provided evidence that several items recorded as "working" or "in good condition" in the check-in inventory were defective, including a leaking en-suite radiator which caused water damage to the en-suite and adjoining bedroom and left the en-suite unusable for over four months while awaiting insurer approval for repairs. The Tenant submitted that subsequent replacements (radiator, carpet) were remedial replacements of defective items rather than improvements. No outstanding repairs were noted.

12. The Tenant provided the following comparables:
    a) Prosperity House, Gower Street, DE1, a two bed and one bathroom flat advertised on 10 June 2026 at £775 pcm Unfurnished – The Landlord submitted that this flat was on the top floor and that the Property is bigger.
    b) Babington Court, Gower Street, DE1, a two-bed and one bathroom apartment with a balcony, advertised on 7 August 2025 at £795 pcm Unfurnished – let agreed. . – The Landlord noted this is reflective of market rates in 2025.
    c) Babington Court, Gower Street, DE1 a two-bed and two bathroom apartment with a balcony, advertised on 30 May 2025 at £830 pcm - Unfurnished- let agreed. The Landlord noted this is reflective of market rates in 2025.
    d) Babington Court, Gower Street, DE1 a two-bed and two bathroom apartment with a balcony advertised on 29 January 2026 at £850 pcm - Unfurnished- let agreed. The Landlord noted this property was listed in January 2026.
    e) Babington Court, Gower Street, DE1 a two-bed and two bathroom apartment with a balcony advertised on 6 February 2026 at £850 pcmFurnished - let agreed. The Landlord noted this property was listed in February 2026 and a second floor apartment.
    f) Babington Court, Gower Street, DE1 a two-bed and two bathroom apartment with a balcony advertised on 1 May 2026 at £850 pcm Furnished- let agreed. The Landlord noted this is reflective of market rates in May 2026.

The Landlord

13. The Landlord made the following comments:

    a) The Landlord confirmed that it no longer sought the £925 pcm originally proposed and instead proposed £885 pcm, relying on recently achieved rents of £900 pcm for 2-bed flats of the same specification elsewhere in Babington Court, including 47 Babington Court (let from 31 July 2026) and a recent rent review at 31 Babington Court.

14. The following comparables were provided by the Landlord:
    a) 21 Babington Court – 2 bed, tenancy from 12/04/2023, current rent £900 pcm.
    b) 31 Babington Court – 2 bed, tenancy from 30/07/2024, current rent £900 pcm (recent rent review).
    c) 38 Babington Court – 2 bed, tenancy from 12/07/2024, current rent £925 pcm.

d) 39 Babington Court – 2 bed, tenancy from 28/02/2025, current rent £895 pcm.
e) 47 Babington Court – 2 bed, newly let from 31/07/2026, current rent £900 pcm.
f) 48 Babington Court – 2 bed, tenancy from 17/04/2025, current rent £900 pcm.
g) 49 Babington Court – 2 bed, tenancy from 31/05/2024, current rent £950 pcm.
h) 51 Babington Court – 2 bed, tenancy from 01/06/2023, current rent £920 pcm.

Determination and Valuation

15. 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.

16. The Tenant's comparables were for advertised properties and the Landlord provided credible explanations for why each one had a lower rent. The Landlord provided evidence of comparables with as let figures. The Tribunal found the comparables at 47 Babington Court (let from 31 July 2026) and a recent rent review at 31 Babington Court to be most relevant to consideration of the market rent.

17. Relying on its own expertise and general knowledge of rental values in the area, and the comparables provided by both the Landlord and the Tenant. Having regard to the limited information concerning the size, dimensions, condition and precise comparability of the subject Property and the comparable properties provided by the Landlord and the Tenant, the Tribunal considers that the market rent of the subject Property modernised and in good order would be in the order of £885 pcm. This is the rent we would expect the property to let for in the open market at the valuation date and if it was in the same general condition as the comparable properties including having a balcony, unfurnished accommodation, gas central heating and double glazing provided by the landlord.

18. The Tribunal note the historical repair linked to a leaking radiator but that this had been rectified. As such, there were no grounds before the Tribunal for any adjustments to be made.

Open-Market Rent £885 pcm

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 asked the Tribunal to fix a later starting date in this case. The Tenant says they will be caused undue hardship because the proposed increase (11.5% on the current £830 pcm rent, or 8.4% on the Landlord's revised £900 pcm position) is nearly five times their 2.5% salary rise over the past year and, in the Tenant's submission, exceeds the market evidence for comparable unfurnished 2-bedroom flats in the DE1 area. The Tenant's principal concern is that if the increase were backdated to the date of the original notice, paying the accumulated arrears as a lump sum on top of the higher ongoing rent would cause significant financial hardship, and the Tenant accordingly asks that any increase determined by the Tribunal not be backdated.

21. The Landlord did not respond to the Tenant's application for postponement due to hardship.

22. The threshold for demonstrating undue hardship is high. The Tenant has produced limited evidence to support their submissions. On the basis of the evidence provided, the Tribunal considers that for 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 at the amount proposed by the Landlord of £885 per calendar month as this is lower than the open-market rent of £895 determined by the Tribunal with effect from 9 November 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.