	**FIRST - TIER TRIBUNAL** **PROPERTY CHAMBER** **(RESIDENTIAL PROPERTY)**
Case Reference	**BIR/00FK/MRA/2026/0048**
Property	**6 Clinton Street, Derby, DE21 6DH**
Tenants	**David Grainger** **Laura Hayes**
Tenants Representative	**Andrew Grainger**
Landlord	**Frederick Sullivan**
Landlord's Address	**Bath Farm House, Kedleston, Quarndon, DE22 5JF**
Landlord's Representative	**Jade Mountney, Leaders Letting Agents, Derby**
Date of Application	**24 July 2026**
Type of Application	**Determination of a Market Rent under sections 13 & 14 of the Housing Act 1988**
Tribunal Members	**Judge Banks** **Tribunal Member A Churchill BSc MRICS**
Date of Decision	**23 October 2026**
Rent Determined	**£650 pcm**
Date the new rent takes effect	**15 November 2026**

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REASONS FOR THE DECISION

Background

1. On 2 June 2026, the Landlord served a notice under Section 13(2) of the Housing Act 1988 which proposed a new rent of £775.00 per calendar month(pcm) in place of the existing rent of £475.00 pcm to take effect from 15 August 2026.

2. On 24 July 2026, under Section 13(4)(a) of the Housing Act 1988, the Tenants referred the Landlord's notice proposing a new rent to the Tribunal for determination of a market rent.

3. The assured tenancy commenced on 15 February 2019. The rental period is monthly.

Validity Of Notice – Section 13B of the Housing Act 1988

4. In their application form, the Tenants have indicated that they consider the Landlord's notice is invalid due to the following reasons The Tenants contend that the proposed rent increase is invalid because the Section 13 notice was served whilst the Improvement Notice remained in force and the required works had not been completed. The Tenants rely on photographs which are said to demonstrate that the Property remains in a condition below that reflected by the Landlord's proposed rent.

5. The Tribunal does not accept that submission. The copy notice provided by the Tenants is incomplete, as only section 4 has been supplied, and no copy of the tenancy agreement has been provided. Accordingly, the evidence before the Tribunal on this issue is limited. Nevertheless, having reviewed the material available, the Tribunal is satisfied that the notice appears to have been served in the prescribed form and to have provided more than two months' notice of the proposed increase. On the evidence before it, the Tribunal therefore considers that the notice is valid.

6. In any event, if the Tribunal is wrong in that conclusion, the matters relied upon by the Tenants do not of themselves establish that the notice was invalid. The existence of an Improvement Notice and any alleged failure to complete remedial works are not matters which affect the validity of a section 13 notice. Accordingly, the Tribunal is satisfied that it has jurisdiction to determine the open market rent payable for the Property.

Allocation of Repairs between Landlord and Tenants.

7. As per section 11 of the Landlord and Tenants Act 1985.

Service charges or furniture provided by Landlord (other than carpets and curtains and white goods specified below) and the costs relating to the same

8. None

Liability for Council Tax

9. The Tenants are 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

10. None

Inspection/Hearing

11. Neither party requested an oral 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

12. The subject Property is a mid-terraced house comprising a living room, dining room, kitchen, two bedrooms and a bathroom. The parties provided differing descriptions of the external area to the rear of the Property. The Tenants described it as a shared accessway and small concrete yard, whereas the Landlord's agent, in the inspection report dated 8 July 2026, described it as a garden. In the absence of clear photographic evidence, the Tribunal was unable to make a finding as to the precise nature or extent of the external space. The Property benefits from gas central heating.

Evidence

13. Both the Tenants and the Landlord returned the Tribunal’s Reply forms.

The Tenants

14. The Tenants submit that the Property is affected by significant and longstanding disrepair. Reliance is placed on an Improvement Notice served by the local authority identifying three Category 1 hazards and eight Category 2 hazards, including issues relating to damp and mould, excessive cold, fire safety, sanitation and drainage, exposed heating pipes, and the poor condition of the kitchen. The Tenants contend that many of these defects pre-dated the Council's inspection and remain unresolved.

15. The Tenants state that the windows are draughty and ineffective, parts of the flooring present trip hazards, and the kitchen is in poor condition with damaged cupboards and a defective cooker. The Tenants further submit that there has been a lengthy history of repair issues, including the collapse of the kitchen ceiling following an unrepaired bathroom leak.

16. The Tenants dispute the Landlord's suggestion that the condition of the Property is attributable to Tenants neglect and submits that previous allegations of property damage were unsupported by evidence. The Tenants also allege that the Landlord repeatedly served invalid Section 21 and Section 8 notices following requests for repairs, causing significant stress to the household.

17. The response was provided on behalf of Mr Grainger, who is said to have a learning difficulty affecting his ability to understand written communications. The Tenants' overall position is that the ongoing disrepair substantially reduces the Property's market rental value and that the proposed rent exceeds the rent which the Property would command on the open market in its current condition.

18. The Tenants did not provide any comparables.

19. The Tenants relied primarily upon correspondence and notices issued by Rachel Baldwin of Derby City Council following an inspection of the Property on 15 January 2026. The Council identified three Category 1 hazards and eight Category 2 hazards and indicated its intention to take formal enforcement action under Part 1 of the Housing Act 2004.

20. The Council's assessment identified Category 1 hazards relating to falls on level surfaces, falls on stairs and excess cold. The reported defects included damp and uneven flooring to the ground floor, defective bathroom flooring, uneven bedroom floorboards, a non-functioning bathroom light, steep attic stairs without a handrail, and defective windows causing draughts and reduced thermal efficiency. The Council considered these issues sufficiently serious to require remedial works.

21. The Tenants also relied upon evidence of numerous Category 2 hazards. These included a kitchen door which had fallen from its hinges, loose and damaged internal fittings, polystyrene ceiling tiles presenting a fire risk, insufficient electrical sockets, defective bathroom fittings, exposed electrical components, defective extractor fans, water ingress through the landing ceiling, damp to the rear reception room floor, damaged kitchen units, and exposed central heating pipework.

22. The Council subsequently served an Improvement Notice requiring extensive remedial works, including repairs to floors, windows, stairs, electrical installations, kitchen units, bathroom fittings, ventilation systems, roof and guttering, together with the removal of fire hazards and rectification of damp-related defects.

23. The Tenants further relied upon a variation notice dated 25 June 2026 whereby the Council extended the deadline for compliance with the Improvement Notice until 31 July 2026 following a request from the Landlord. The accompanying correspondence stated that the Improvement Notice would remain in force until the specified remedial works had been completed and that further enforcement action could be considered if the works were not carried out by the revised deadline.

24. In addition, the Tenants provided photographs which were said to illustrate the condition of the Property and support the existence of the defects identified in the Council's inspection and Improvement Notice.

The Landlord

25. The Landlord opposes the Tenants' challenge to the proposed rent increase. The Landlord submits that the Property has not been maintained by the Tenants to an acceptable standard during the tenancy and relies upon photographic evidence which is said to demonstrate a deterioration in its condition.

26. The Landlord contends that, following the local authority's inspection, all works required by the Council were agreed, instructed and completed promptly. The Landlord nevertheless maintains that the condition of the Property continued to deteriorate due to the Tenants lack of care and maintenance.

27. The Landlord further submits that the current rent is substantially below the market rent for comparable properties in the area and relies upon an independent rental assessment in support of the proposed increase. The Landlord also states that significant expenditure has been incurred in carrying out repairs and refurbishment works, many of which are said to have arisen as a result of the condition in which the Property was kept during the tenancy. It is

further asserted that the Property was in very good condition at the commencement of the tenancy.

28. Finally, the Landlord submits that attempts were made on several occasions to carry out mid-term inspections of the Property, but access was not provided by the Tenants. The Landlord states that the most recent unsuccessful attempt to inspect the Property was on 7 August 2026.

29. The Landlord relied upon a Best Price Guide prepared by its representatives using properties advertised on Rightmove within a 0.25 mile radius of the Property. The Guide identified three two-bedroom properties being marketed at rents between £795 and £850 per calendar month. The Tribunal found that this evidence carried little evidential weight.

30. The Guide consisted largely of brief marketing particulars and, in most cases, a single external photograph. It did not include floorplans, measurements, EPC information, or sufficient details regarding the size, layout, specification, condition or amenities of the comparable properties. Such information is fundamental to any meaningful assessment of comparability. In its absence, the Tribunal was unable to determine whether the cited properties were genuinely comparable to the subject Property or whether any apparent similarities were superficial only.

31. In the circumstances, the Tribunal was unable to carry out the detailed comparative exercise required to place significant reliance on the Landlord's evidence. The Best Price Guide amounted to little more than evidence of asking rents for a small number of properties of broadly similar accommodation within a wide geographical search area. It did not provide a sufficient evidential basis upon which the Tribunal could confidently assess the market rent of the subject Property. The Tribunal therefore treated the comparables as providing a useful indication of prevailing market rents but approached direct comparisons with caution.

32. Taking the comparable evidence as a whole, the Tribunal found that two-bedroom terraced houses in the locality were generally being marketed at rents between approximately £795 and £850 per calendar month, with the property advertised at £825 being described as having a large garden and a modern kitchen and bathroom as being towards the upper end of the bracket.

Determination and Valuation

33. The Tribunal has considered all of the evidence before it, including matters not expressly referred to in these reasons, and has given such weight to that evidence as it considers appropriate.

34. Relying upon its own expert and general knowledge of rental values in the area, together with the comparables provided by the Landlord, the Tribunal determines that the market rent of a similar property in a similar location and in a good condition would command a market rent of £800 per calendar month.

35. The Tribunal found that the comparable evidence relied upon by the Landlord, to be of great assistance when determining local market rents for similar properties.

36. However, as set out above, the Property has been subject to an Improvement Notice due to its poor condition.

37. The Landlord has produced an interim inspection report prepared by Harry Stevens following a visit to the Property on 8 July 2026. The report repeatedly describes the Property as being in a "poor condition throughout" and records poor standards of cleanliness and condition in the principal rooms. The inspector noted the presence of pets and considered both the internal and external areas to be poorly maintained. The report also records that smoke alarms and a carbon monoxide alarm were present and functioning.

38. The report appears to be relied upon to support the Landlord's contention that the condition of the Property is attributable, at least in part, to the Tenants' housekeeping and maintenance of the premises. However, the report expressly states that it is not a structural survey and does not provide a detailed assessment of the defects identified within the local authority's Improvement Notice.

39. The Landlord has also produced invoices from Assured Build and Maintain Ltd dated March and April 2026. These invoices show that works were instructed and charged for in response to the defects identified by the Council. The listed works include:

    - replacement and repair of damaged flooring and sub-flooring;
    - treatment of damp-affected timber;
    - replacement kitchen vinyl flooring;
    - installation of kitchen and bathroom extractor fans;
    - replacement kitchen units and cupboard doors;
    - repairs to the kitchen door;
    - removal of polystyrene ceiling tiles and plastering works;
    - replacement window hinges;
    - replacement bathroom flooring and light fitting;
    - installation of a handrail and anti-slip treads to the attic staircase; and
    - replacement pipework beneath the kitchen sink.

40. The invoices demonstrate that repair works were commissioned and that substantial expenditure was incurred.

41. Having considered the evidence the Tribunal finds that the evidence falls short of establishing that all of the hazards identified by the Council had been rectified by the valuation date.

42. Whilst the invoices provide evidence that a range of remedial works were instructed and invoiced, they are not completion certificates and do not, by themselves, demonstrate that all works were completed to a satisfactory standard. Nor is there any evidence from the local authority confirming that the Improvement Notice had been complied with, withdrawn, revoked or otherwise discharged.

43. Further, the July 2026 inspection report does not expressly address the defects identified within the Improvement Notice. Rather than confirming that the Property was in good repair, the report repeatedly describes the Property as being in "poor condition throughout". Whilst that may relate partly to housekeeping matters, it provides little assistance in determining whether the structural and repair-related hazards identified by the Council had been remedied.

44. The Tribunal therefore accepts that the Landlord incurred expenditure and commissioned a substantial programme of remedial works following service of the Improvement Notice. However, the evidence does not establish that all of the hazards identified by the local authority had been fully remedied by the relevant date. Whilst invoices have been produced showing that works were instructed, there is no independent evidence confirming completion of all works or compliance with the Improvement Notice. Nor is there any evidence from the local authority confirming that the Notice had been discharged. The Tribunal therefore finds that repair works were undertaken but cannot conclude, that every defect identified by the Council had been rectified.

45. It was incumbent upon the Landlord, as the party asserting compliance, to adduce evidence demonstrating that the requirements of the Improvement Notice had been fully satisfied. No such evidence was provided. Given the continuing uncertainty regarding the extent of the outstanding defects and the effect that this would have on the rent which a hypothetical Tenants would be willing to pay on the open market, the Tribunal considers it appropriate to make a downward adjustment of £150 per calendar month to reflect the unresolved repair concerns and the absence of satisfactory evidence of compliance with the Improvement Notice.

Market rent **£650 pcm**

Undue hardship

46. The new rent takes effect from the date specified in the Landlord's Notice of Increase unless that would cause undue hardship to the Tenants. 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.

47. The Tenants have asked the Tribunal to fix a later starting date in this case. They say that only one member of the household is working and an increase would cause financial hardship.

48. The Tribunal accepts that any increase in rent is likely to impact upon a Tenants' finances. However, a finding of undue hardship requires evidence from which the Tribunal can assess the nature and extent of the hardship said to arise. No such evidence has been provided. As such, in the absence of evidence, the Tribunal makes no finding of undue hardship.

Decision

49. Therefore, the Tribunal determines the market rent at £650 per calendar month with effect from 15 November 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.