	**FIRST - TIER TRIBUNAL** **PROPERTY CHAMBER** **(RESIDENTIAL PROPERTY)**
Case Reference	**BIR/00FN/MRA/2026/0070**
Property	**Flat 4, 54 Highcross Street, Leicester LE1 4NN**
Tenant	**Adrian Ugwu**
Tenant's Representative	**None**
Landlord	**Anil Bhalla** **Sunjay Bhalla** **Divanshu Balla**
Landlord's Address	**Direct Fabric Warehouse, Lee Circle, Leicester LE1 3RE**
Landlord's Representative	**Adrian Wray** **Olive Leaf Lettings**
Date of Application	**7 August 2026**
Type of Application	**Determination of an Open-Market Rent sections 13 & 14 of the Housing Act 1988**
Tribunal Members	**Jude T N Jackson** **Mr C Birds JP FRICS**
Date of Decision	**20 November 2026**
Rent Determined	**£730 per calendar month**
Date of Valuation	**10 August 2026**
Date the new rent takes effect	**10 December 2026**

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REASONS FOR THE DECISION

Background

1. On 21 May 2026, the Landlord served a notice under Section 13 (2) (as amended) of the Housing Act 1988 which proposed a new rent of £730 per calendar month (pcm) in place of the existing rent of £695 to take effect from 10 August 2026.

2. On 7 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 10 June 2024 to 9 December 2024 and thereafter from month to month. The rental period is monthly.

Allocation of Repairs between Landlord and Tenant.

4. As the tenancy agreement and 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. 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

8. 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

9. The Property is a small second floor flat above a restaurant with no lift. The Property comprises an open plan kitchen/living room (approximately 4m by 4 m), one bedroom (3m by 2m) and a bathroom with shower cubicle and toilet (2m by 1.5m). There is a long hallway which spans the length of the living room and bathroom and measures approximately 7m by 1m.

    The Property benefits from electric storage heating, double glazing, electric oven/hob, washer and fridge/freezer. The Property has an EPC rating of E.

10. The Property is situated in in the city and is located off Jubilee Square offering easy access to city centre amenities.

Evidence

11. The parties completed the relevant MR1 (tenant) and MR2 (landlord). There was no MR3 (tenant's reply).

The Tenant

12. The Tenant made the following comments:

    a) They had not made any improvements;

    b) The rent increased from £675 to £695 last year. The proposal to increase to £730 represents an increase of £55 or 8% rise in 2 years and no improvements or repairs have been carried out in that time.

    c) It's a second-floor one-bed with no lift, sitting above a restaurant, so there's constant noise from the extraction unit. The floors are carpet and lino, and the only appliances provided are a fridge and a washing machine. It's a basic flat and the rent should reflect that.

    d) Despite this being the second increase in 2 years, nothing had changed regarding the Property which they described as at the bottom of the market for such flats.

    e) They consider that the rent should be no more than £700 pcm.

13. The Tenant provided a detailed report on rental evidence including the following comparables:

    a) A one-bed refurbished flat, with EPC C and water included on Wheat Street let agreed at £700 pcm;

b) A two-bedroom flat with gas heating and a lift at Kimberley House let agreed at £750pcm;

c) A one bed all electric flat at Church Gate advertised at £565 pcm;

d) A refurbished one bed flat at East Bond Street advertised at £595 pcm; and

e) A refurbished one bed flat at New Bond Street with EPC C and extra office room advertised at £680 pcm;

f) A flat in a modern purpose- built block at Crecy Court advertised at £750 pcm;

g) A premium converted flat with EPC B and juliette balcony at Fleet Court advertised at £795 pcm.

14. They referred to Crecy Court and Fleet Court advertised as premium and refurbished properties, and therefore not comparable to the Property. They say that on the range of comparators between £565 and £795 pcm, the proposed rent sits amongst the refurbished, energy efficient flats when the Property is neither.

15. They submit that the flat should be lower on the range as it has a lower energy efficiency rating, electric only heating, no lift, has had no improvements in 2 years, has no balcony or an extra room and does not include bills. It also sits above a restaurant and therefore has HVAC noise.

16. They submit that Wheat Street, let at £700 pcm, is a superior flat to the Property as it has been refurbished throughout, has a higher efficiency rating and includes the water bill and newer white goods.

The Landlord

17. The Landlord made the following comments:

a) The rent was increased by a section 13 Notice in 2025 for £675 to £715. The Tenant complained and therefore the Landlord agreed to increase to £695 pcm.

b) The Landlord has faced increased costs and wishes to achieve the market rent of £730 pcm.

c) At the time of the rent review, there were approximately 25 1 bedroomed flats near the Property with rents ranging from £600 (basic) to £1025 (high end). The Landlord requested a 5% increase that considered the lower increase in 2025. It was also in line with other properties in close proximity.

18. The Landlord did not provide any detailed comparable rental evidence.

Determination and Valuation

19. 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.

20. We noted that whilst in their comments the Tenant said that there was only a fridge and a washing machine, the Property particulars say that Property was equipped with electric hob /oven, washer and fridge freezer and the Tenant's photos appear to confirm that.

21. We found the Tenant's comparator evidence to be detailed and relevant. On viewing the particulars and photos provided of each comparator, we considered that the Tenant's comparables were relevant, but we did not consider the lower-rented properties to be sufficiently comparable to justify a lower valuation.

22. Relying on its own expertise and general knowledge of rental values in the area, and the comparables provided by the Tenant, and having regard to the age, accommodation offered and the location of the Property, the Tribunal considers that the market rent of the subject Property modernised and in good order would be in the order of £730 pcm. This is the rent we would expect the Property to let for in the open market at the valuation date.

23. From the Tenant's photos, the Tribunal finds the Property to be in good overall condition. The Tenant has not raised any specific issues regarding disrepair and we therefore make no adjustment to the open market rent.

Open-Market Rent **£730 pcm**

Undue hardship

24. 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.

25. 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 rental growth is faster than their income growth and each year it costs more to stand still. They worry about being able to afford to live if the landlord is allowed to proceed with the increase.

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

27. The Tribunal accepts that an increase in rent may create financial pressure for the Tenant. However, the threshold for demonstrating undue hardship is high. A mere assertion of undue hardship is not sufficient. The Tenant has produced no documentary evidence to support their assertion such as information regarding income, expenditure, benefits, liabilities or other financial circumstances. In the absence of such evidence, 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

28. The Tribunal determines the new rent amount at £730 per calendar month with effect from 10 December 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.