

Rent tribunals in England – what do we know

Generation Rent has examined market rent assessments carried out by the First-Tier Tribunal. These are published on the gov.uk website.¹

In summary, while three quarters of tenants who challenge a Section 13 notice of rent increase through the Tribunal succeed in reducing the proposed rent (average 28% increase), the average increase is still substantial at 14% and few would be considered affordable. The data allow us to calculate an annualised increase in only a small minority of cases, and this also indicates that the tribunal awards rents that are higher than wage inflation and rent inflation recorded by the ONS – 5.5%.

Number of cases

341 between January 2019 and August 2021.

Tenancy type

29% of cases with reasons could be identified as relating to a private Assured Shorthold Tenancy or Statutory Periodic Tenancy (which we will refer to as private tenancies as shorthand). A further 33% were on an assured tenancy (normally starting before 1997 if renting from a private landlord), rented from a housing association or were on another type of tenancy. In the remaining 38% of cases the type of tenancy could not be identified.

Regional breakdown with reasons

More than half of cases were in London and the South East.

Two thirds of cases come with a PDF setting out the reasons – usually providing details like the original rent and type of tenancy. The rest of the decisions simply have the rent determined by the tribunal and basic details of the tenancy/property.

The format of the decision is very dependent on the region, with nearly all cases in the South East, East of England and South West having reasons published, very few in the North, including Yorkshire, and a roughly 50:50 chance of cases in London and the Midlands having the reasons published.

We are more likely to have reasons for cases heard since 2019.

Length of tenancy

In around half of cases the tenant had been living in the home for more than 5 years. Though among private tenants, 58% had been in their home for less than 5 years.

Outcomes

The average **proposed increase in rent was 28%**, and the average increase in **rent awarded was 13%**. There was a slight difference between known private tenancies, with an average of 11% increase awarded by the Tribunal.

Individual landlords ask for most (32% increase) but get half that. Housing Associations set their sights lower and normally get what they want.

¹ <https://www.gov.uk/residential-property-tribunal-decisions>

Success

Renters had around a **73% chance of the tribunal awarding a rent lower than what their landlord asked for**. This rose to 77% for private tenants. This may simply reflect private landlords being more likely to ask for more than the market will allow.

This might be considered to be the success rate – though at present tenants can still face a s21 eviction and, indeed, possession proceedings were already happening in some cases.

Size of increase

While for three quarters of applicants, it is worth challenging the rent increase as the rent awarded is lower than what the landlord has asked for, the renter can still face a considerable rent increase.

A better test of the tribunal may be how significant the difference is between the rent awarded and the existing rent.

Half (51%) of cases resulted in a rise of less than 10%. A further third saw increases of 10-50%. **Just 11% saw a reduction awarded**, twice as likely as a rent increase of more than 50%. There was not a significant difference between private and other tenancies.

Annual increase

In 30 private sector cases there was also information about when the existing rent was set, allowing us to calculate the annualised increase. This is a small sample so might not necessarily give us an indication of outcomes into the future. **The average increase is 5.5% per annum**, which is higher than the annual rate of increase recorded by the ONS rent index, even considering that most cases are in southern England where rent inflation has been higher than average. At its peak in late 2016 ONS rent inflation was just 3.5% in the South East. It is also unaffordable on average given that wages have not increased by 5.5% per annum at all in that period.

The range is quite wide, with 8 cases of zero or negative changes, and three above 25%. The median increase is 2%. Three cases involving annual increases around 1% involved rents that had not been changed for more than 10 years, so the overall increase was more than 10%.

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