



Tenancy Relations Fact Sheet 8

Rents and Increases for Assured Shorthold Tenancies

Rent

Rent is a payment by a tenant to a landlord, buying the right of exclusive possession of property with the covenant of quiet enjoyment for a period of time. That period of time will either be:-

- Fixed Term – A contract agreeing 6 or 12 months maybe, or
- Periodic – The tenancy renews automatically on a rent day for one rental period at a time. Where there is no agreed fixed term, the tenancy is periodic by default.

Rent Level

The level of rent is initially mutually agreed between tenant and landlord as a term and condition of tenancy. The rent level is fixed for the duration of the tenancy, unless the contract contains rent review clauses.

Reviewing the Rent

After the rent is agreed at the beginning of the tenancy, a review of the rent can only happen under certain circumstances.

Within the first 6 months of an Assured Shorthold Tenancy, if a tenant feels that a rent, which has been agreed by contract, is excessive for the market, the tenant can appeal to a Rent Tribunal. This can be done by completing “Form 7”, which is available for download in [this link](#) and sending it to the Tribunal at the address below.

A change to the rent level can be agreed mutually between landlord and tenant. Where a rent review is proposed by a landlord and the tenant does not agree there is a special procedure a landlord can follow. Details of this procedure are in this fact sheet below.

Fixed Term

If there is a fixed term, then the rent cannot be increased unless it is by mutual consent of both landlord and tenant.

Sometimes there may be a clause in the contract setting out conditions for the rent to be increased during the fixed term. This is normally acceptable, provided that the content of the clause does not render it to be an unfair contract clause. If you are in doubt about this issue, you should seek advice.

No Fixed Term

If there is no fixed term, or the fixed term has expired and at least 12 months have elapsed since the last increase, the rent can increase in two ways.

A new rent can either be agreed by mutual consent, or the landlord can serve a notice of increase, "Form 4", on the tenant proposing a new rent. This notice is available for download in [this link](#).

The notice advises the tenant of the proposed new rent and the date it is proposed to take effect. It goes on to inform the tenant that if the increase is acceptable, to pay it when it becomes due. Alternatively, an appeal can be made to the Rent Tribunal if the increase is not acceptable. This appeal must be made before the proposed date for the new rent otherwise the increase becomes effective. The form, "Form 6", to apply to the Rent Tribunal is available for download in [this link](#). The form needs to be sent to:-

First-tier Tribunal (Property Chamber) Residential Property
Havant Justice Centre
The Court House
Elmleigh Road
Havant
Hampshire
PO9 2AL
Phone 01243 779 394

As part of their assessment the Tribunal will make a visit to the property. Having regard to rents of similar property in the area, they will then fix a rent they consider to be reasonable for the current market. This rent is then fixed for 1 year.

Disclaimer: This information is not intended as an authoritative interpretation of the law, only the Courts can do that. Neither does this information cover every case. For further guidance, it may be advisable to seek legal guidance from a solicitor.