

## RENT ASSESSMENT PANEL FOR SCOTLAND

### HOUSING (SCOTLAND) ACT 1988 SECTION 25 (1) REGISTER OF RENTS DETERMINED UNDER STATUTORY ASSURED TENANCIES

**REFERENCE NO.**  
RAC/TD5/A32

**APPLICATION RECEIVED**  
17 October 2005

**ADDRESS OF PREMISES**

Clifton Cottage, High Street, Kirk Yetholm, TD5 8PH

**TENANT**

Ms A Watson

**LANDLORD**

Mr D Morrison

**AGENT**

Taits Solicitors  
10 The Square  
Kelso  
TD 5 7HJ

**RENTAL PERIOD**

Monthly

**DATE TENANCY COMMENCED**

1 April 2003

**DESCRIPTION OF PREMISES**

One and a half storey terraced cottage circa 1800 with oil fired central heating and detached garage opposite on garden ground comprising on ground floor, living room, dining area and kitchen. Upper floor, 2 bedrooms and bathroom.

**SERVICES PROVIDED** None

**COMMITTEE MEMBERS**

**CHAIRMAN**

Mr R Handley LLB

**PROFESSIONAL MEMBER**

Mr G Campbell FRICS

**LAYMEMBER**

Mr M Innes

**PRESENT RENT**

£2700.00 per. annum (£225.00 p.c.m.)

**RENT DETERMINED BY RAC** £ 4200.00 per. annum (£ 350.00 p.c.m.)

**DATE CONSIDERED**

21 December 2005

**DATE DETERMINATION TAKES EFFECT**

21 December 2005

**R Handley**

Chairman of Rent Assessment Committee

28/12/2005  
Date

## RENT ASSESSMENT COMMITTEE

HELD ON: 21 DECEMBER 2005

PROPERTY: CLIFTON COTTAGE, HIGH STREET, KIRK YETHOLM

### STATEMENT OF REASONS

#### Introduction

This is an application by Ms A Watson (the tenant) to the Rent Assessment Committee for the determination of a rent under the Housing (Scotland) Act 1988 ("the Act"). The Landlord is Mr D Morrison. The original rent paid by the Tenant was £2,700.00 per annum. The Landlord applied for a rent of £3,900.00 per annum.

The Landlord and the Tenant requested a Hearing. Both submitted written representations.

#### The Documentation

The Committee had the following documents before it: Form AT4 Application, the Notice to Quit Form, the Tenancy Agreement and written representations from the Landlord and the Tenant. The Committee also considered the following documents which were produced by the Landlord at the Hearing: a letter of 5 January 2005 from Allied Lorne Brown (Chartered Surveyors) and a letter of 22 March 2005 from Border Timberguard. The Committee noted that these letters had been referred to in the Landlord's written representations and agreed to consider them. The Landlord also provided details of properties to let in a publication entitled "The Scottish Borders Property Centre" and a copy of the BSPC Property Guide. Such information was in the public domain and the Committee agreed to consider this evidence.

#### The Inspection

The Tenant attended the inspection of Clifton Cottage ("the dwellinghouse") at 10.30 am. The Landlord was present at 10.30 am and

asked if he could attend the inspection. However following an objection by the Tenant, he did not attend.

Mr Robert Shea, Clerk to the Rent Assessment Committee, introduced the Committee to the Tenant who was present throughout the course of the inspection.

The dwellinghouse is a terraced 1½ storey property situated in the village of Kirk Yetholm. The dwellinghouse comprises a kitchen, living room, dining room, bathroom and two bedrooms. The Landlord has installed oil fired central heating. The Tenant supplies all furniture. No services are supplied by the Landlord. The Tenant advised the Committee that the loft had been insulated and some works carried out to reduce heat loss from windows.

The dwellinghouse was built around 1800. The external walls are rough cast and the roof is slated. The Tenant advised that there had been some water ingress through the window of the main bedroom (although she suggested that the problem had been alleviated by some remedial works).

There is an enclosed garden to the rear of the dwellinghouse.

The dwellinghouse is located on a quiet road. Across this road is a garage and a garden area. The Tenant has use of this garage and garden area.

#### **The living room**

The living room is situated off the entrance hall. Windows overlook the front and the rear of the dwellinghouse. The living room has a coal fire. The windows have secondary glazing.

#### **The dining room**

A small dining room is situated off the entrance hall. It has a window overlooking the front of the dwellinghouse. The Tenant has supplied an electric fire. An electrical socket appears to have become loose from the wall. A door leads to the kitchen.

#### **The kitchen**

The kitchen is situated to the rear of the dwellinghouse off the dining room. The kitchen has units, a double sink and an electric cooker. There are adequate electrical points. The Tenant drew the Committee's attention to electrical wires in the kitchen which were bare. The

Committee was unable to determine if these wires were "live". She advised the Committee that the tap in the kitchen sink was leaking. A door leads to the back garden.

#### **The second bedroom**

A small bedroom is located off the stairs in the hall way. This bedroom is at the rear of the dwellinghouse. The Tenant advised that she thought there may be an area of dampness within this bedroom (although she also advised that since using a humidifier the problem appears to have been alleviated). The Committee found no evidence of dampness in this room.

#### **The bathroom**

The bathroom is located on the upper floor and contains a bath, a WC and a wash hand basin. A window overlooks the front of the dwellinghouse.

#### **The main bedroom**

A double bedroom is located on the upper floor and has windows overlooking the front and the rear of the dwellinghouse. The Tenant advised that she thought there had been problems with dampness around the dormer window (although she accepted that this problem may now have been resolved). The Committee noted that wallpaper had come off the ceiling above the dormer window. However the Committee could find no evidence of dampness in this area.

#### **The hallway**

The Tenant advised that the Landlord had painted the front door but not replaced it.

#### **The Hearing**

At the conclusion of the inspection, the Tenant intimated that she did not wish to attend the Hearing. Mr Shea advised the Tenant that there was no obligation on her to attend. However he also advised that the Landlord had intimated that he would be attending the Hearing and he reminded the Tenant that the Committee would consider her written submissions but it would be inappropriate to hear any further submissions at the inspection. The Tenant again confirmed that she did not wish to attend the Hearing.

The Landlord attended the Hearing and was accompanied by a friend, Mr Connachie. Mr Connachie did not give evidence to the Committee. The

Landlord drew the attention of the Committee to the various improvements he had effected (as detailed in his letter of 19 November 2005). He also drew attention to the letter from Allied Lorne Brown which stated that the current market rental value of the dwellinghouse would be in the region of £400 per calendar month. He asked the Committee to consider the properties detailed in the publication "The Scottish Borders Property Centre" and the BSPC Property Guide. He submitted that Spotsmain Farm, Smailholm, bore similarities to the dwellinghouse in relation to its location and size. The Landlord also drew the Committee's attention to the letter from Border Timberguard.

The Committee asked the Landlord why he considered that a rent of £325 per month was appropriate. He explained that he felt that a rent of £400 would be a "bit much" and that a rent of £325 would be fair and reasonable. He also explained that he had not bought the dwellinghouse to make money - he had been incurring losses on it. He thought that the capital value of the dwellinghouse would be in the region of £85,000 - £95,000.

The Committee asked the Landlord if he had any comments on the Tenant's written submissions. The Landlord advised that he no longer lived in the dwellinghouse. The Small Claims action had been resolved. He told the Committee that it was not his intention to get the Tenant to move out of the dwellinghouse. The Landlord confirmed that although he had not replaced the front door, he had painted it.

### **Decisions and Reasons**

In determining a rent the Committee took account of the documents previously referred to and of the written submissions and the evidence at the Hearing.

The Committee concluded that the dwellinghouse was generally well maintained. The roof appeared to be in a reasonable condition. The electrical wiring system was serviceable. It was clear that the Landlord had carried out some improvements and some routine maintenance. In the course of the inspection the Committee found no evidence of dampness. This was confirmed in the letter from Border Timberguard which indicated that the dampness in the second bedroom was caused by condensation. As stated, the Committee noted that the Tenant advised that a humidifier appeared to have resolved the problem in this room.

The area in which the dwelling house is located is somewhat unique and consequently the Committee had some difficulty in deciding what a reasonable open market rent for a similar dwellinghouse in this area would be (in terms of section 25 of the Act). As indicated the Landlord submitted some comparables. The Committee was aware that the dwellinghouse was located in an area which was becoming increasingly popular. There was demand from those wishing to purchase a second home. This had tended to inflate prices.

The Committee did not inspect Spotsmain Farm Cottage but noted that Smailholm is a small village some 6 miles from Kelso. Like Kirk Yetholm, Smailholm is in a rural area with limited amenities. It was likely that the residents of Kirk Yetholm and Smailholm would need to travel to Kelso for shops, health care facilities, restaurants and leisure activities. Spotsmain Farm Cottage was available for let at a rental of £4,800 per year. Like the dwellinghouse, Spotsmain Farm Cottage is a 2 bed roomed property although unlike the dwellinghouse it is a detached property. In all these circumstances the Committee concluded that the rental of £4,800 would be somewhat higher than the annual rental for the dwellinghouse.

The Committee also had before it details of property to let at Graden Farm Cottages, Kelso. Graden Farm Cottages is located 3 miles from Kirk Yetholm. Like the dwellinghouse, this property is a two bed roomed terraced house. This property is available to let at £450 per month. Whilst the Committee were unable to inspect Graden Farm Cottages, it appeared to the Committee that this property was situated closer to the amenities of Kelso (than the dwellinghouse). It appeared to have benefited from some improvements which included a modernised kitchen. In all these circumstances the Committee concluded that Graden Farm Cottages would attract a higher rental than the dwellinghouse.

The Committee considered that the capital value of the dwellinghouse in its present condition would be in excess of £90,000. The Committee assumed a return on capital of 4% per year and adding an allowance of around £500 for "landlord's expenses" (e.g. repairs, insurance and the like), the Committee concluded that the annual rental using this method of calculation would be in excess of £4,100 per year.

The Committee having regard to all the circumstances (including those required to be taken into account in terms of section 25 of the Act), and

applying its own knowledge and experience and having considered the information contained in the publication entitled the "Scottish Borders Property Centre" and the BSPC Property Guide, decided that the rent which would reasonably be expected for the dwellinghouse in the open market would be £4,200 per year.

The Committee decided that the increase in rent should take effect from 21 December 2005 being the date of the decision.

.....R Handley..... Chairman

.....18/1/2006..... Date