

RENT ASSESSMENT PANEL FOR SCOTLAND

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

REFERENCE NO.

RAC/IV40/A33

APPLICATION RECEIVED

1 November 2005

ADDRESS OF PREMISES

8 Forestry Houses, Ratagan, Glenshiel, IV40 8HR

TENANT

Mrs M Sinclair

LANDLORD/AGENT

Northumberland & Durham Property Trust Ltd

RENTAL PERIOD

Monthly

DATE TENANCY COMMENCED

N/A

DESCRIPTION OF PREMISES

Semi-detached timber built cottage comprising living room, 3 bedrooms, kitchen and bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS**CHAIRMAN**

Ms J V Lea LLB MBA MSc

PROFESSIONAL MEMBER

Mr R Buchan BSc FRICS

LAYMEMBER

Mr A McKay

PRESENT RENT

£170.83 per calendar month

RENT DETERMINED BY RAC £2,300.00 per annum

DATE CONSIDERED

8 December 2005

DATE DETERMINATION TAKES EFFECT

28 April 2006

J Lea

Chairman of Rent Assessment Committee

12/12/05

Date

RENT ASSESSMENT COMMITTEE

STATEMENT OF REASONS

8 Forestry Houses, Ratagan, Glenshiel

8th December 2005

Inspection

This is an application by the tenant for a determination of the rent payable under Section 24 of the Housing (Scotland) Act 1988. The landlord is Northumberland and Durham Property Trust Ltd. The tenant is Mrs M Sinclair.

The Tenancy is an Assured Tenancy. On 21st October 2005 the landlord served on the tenant an AT2 notice under Section 24 of the Housing (Scotland) Act 1988 seeking an increase in rental to £2,500 per annum. The Rent Assessment Committee received Form AT4 application by the tenant for determination of rent by the Rent Assessment Committee under Section 24(3) of the said Act.

Inspection

The Committee inspected the property on 8th December 2005. The tenant Mrs M Sinclair was present. The landlord was not present or represented.

Description

The property is a semi-detached timber built cottage, built circa 1950 with weatherboard cladding and shingle tiled roof. The accommodation comprises entrance hall, living room, three bedrooms, dining room, kitchen, bathroom and porch. The kitchen and porch extensions were put on by the tenant, the original kitchen being converted into a dining room by the tenant. The property has single-glazed windows. The property has no central heating. The tenant has installed storage heaters. There is an open fireplace in the living room. The property has superb views and a front and back garden. All the outbuildings in the garden have been supplied by the tenant. The property is in a reasonably good state of repair with the previous damp problem having been rectified by the landlord but no redecoration has been carried out by the landlord. Ratagan is located in a remote area on the shores of Loch Duich within an area of great landscape value.

Documentation

The Committee had before it the following documentation

1. Form AT 4 completed by the tenant
2. Form AT2 completed by the Landlord
3. Tenancy lease agreement
4. Written representations from the tenant dated 6th November 2005
5. Written representations from the landlord dated 9th November 2005

Decision

The landlords indicated in their written representations that they have other properties located in similar areas which are let for at least a similar amount of rent. The landlords however provided no details with regard to any of these properties. This is an area of low population density where there is a corresponding lack of open market rental evidence and where rentals are invariably dominated by holiday letting. Accordingly the committee had to consider a range of options in attempting to arrive at an opinion of rental value. The tenant indicated that the property next door was let by the Council for a rent of £2,292 per annum. The property next door is almost identical but has been modernised and has full double-glazing and central heating. The Committee from its own knowledge and experience considered the market value of the property to be approximately £70,000, taking into account the fact that the property is timber built and an aging asset, is unmodernised with no central heating, double-glazing or modern kitchen. The tenants improvements are disregarded for the purposes of fixing the rent. Taking a 4% return on capital and deducting £500 for insurance and management costs would give a rent of £2,300 per annum. The Committee also took account of the rent fixed by the Rent Assessment Committee 2003 of £1,905 and considered that this required to be increased to take account of inflation and also the fact that the landlord had improved the condition of the property since the last Rent Assessment Committee. The damp in the bedroom had been rectified and repairs had been carried out to the outside woodwork. The Committee also took into account the fact that the house next door has a rent of £2,292 per annum. This is a council house which will be let below the market rent however it has double-glazing, central heating and has been modernised.

In all the circumstances the Committee considered that the market rent for the property is £2,300 per annum.

J Lea

.....Chairman

12/1/06

.....Date