

**PRIVATE RENTED HOUSING PANEL****HOUSING (SCOTLAND) ACT 1988 SECTION 25(1)****Register Of Rents Determined Under Statutory Assured Tenancies**

<b>REFERENCE NO.</b>	<b>APPLICATION RECEIVED</b>
RAC/PH1/A58	12 February 2009
<b>ADDRESS OF PREMISES</b>	
Flat 3, 10 Scott Street, Perth, PH1 5EJ	
<b>TENANT</b>	
Mr J Murdoch	
<b>NAME AND ADDRESS OF LANDLORD</b>	<b>AGENT</b>
Edzell Heritable Investment Co Ltd 1008 Pollokshaws Road Shawlands Glasgow G41 2HG	
<b>RENTAL PERIOD</b>	<b>DATE TENANCY COMMENCED</b>
Not available	1991
<b>DESCRIPTION OF PREMISES</b>	
1 <sup>st</sup> Floor flat in a four storey tenement built C.1896, comprising 2 bedrooms, living room, kitchen and bathroom.	
<b>SERVICES PROVIDED</b>	
None	
<b>COMMITTEE MEMBERS</b>	
<b>CHAIRMAN</b>	R Handley LLB
<b>PROFESSIONAL MEMBER</b>	R Buchan BSc FRICS
<b>LAYMEMBER</b>	C Anderson
<b>PRESENT RENT</b>	<b>£2,952.00</b>
<b>RENT DETERMINED</b>	<b>£4,500.00</b>
<b>DATE CONSIDERED</b>	<b>DATE DETERMINATION TAKES EFFECT</b>
11 June 2009	28 May 2009

# R Handley

Chairman of Private Rented Housing Committee

7 July 2009  
Date

## **RENT ASSESSMENT COMMITTEE**

**HELD ON: 11 JUNE 2009**

**PROPERTY: Flat 3, 10 Scott Street, PERTH**

### **STATEMENT OF REASONS**

#### **Introduction**

This is an application by Mr Murdoch (the Tenant) to the Private Rented Housing Panel for the determination of a rent under the Housing (Scotland) Act 1988 ("the Act"). The Landlord is Edzell Heritable Investment Company Limited, 1008 Pollockshaws Road, Shawlands, Glasgow. The original rent paid by the Tenant was £2,952.00 per annum. The Landlord applied for a rent of £5,400.00 per annum.

#### **The Documentation**

The Committee had the following documents before it: the AT2 Notice, the AT4 Application, a Notice to Quit Form and Tenancy information.

#### **The Inspection**

The Chairman introduced the Committee to Mr Murdoch and Mr Lovat (on behalf of the Landlord) who were both present throughout the course of the inspection.

#### **The Dwelling house**

The property at Flat 3, 10 Scott Street, Perth ("the dwellinghouse") is a two bedroomed flat, situated on the second storey of a four storey tenement block with a Licensed Restaurant on the ground floor, located in the centre of Perth. There is no parking available and no garden area. The dwellinghouse is entered by a secure communal front door which leads from the street into a common stairway. Entry to the communal stair area is controlled by a secure entry system which appeared to be functioning properly. The dwellinghouse has a kitchen, living room, bathroom and two bedrooms.

The dwellinghouse was built in 1896. The external walls are stone and the roof is slated. All windows are single glazed (apart from the window in the kitchen). The electrical system is dated. The dwellinghouse was last refurbished in 1982.

All the furniture within the dwellinghouse belonged to the Tenant. No services were provided by the Landlord.

**The kitchen**

The kitchen is entered from the hall way and a double window overlooks the rear of the dwellinghouse. The kitchen contains units, a sink and an electric cooker. There are adequate electrical points.

The kitchen units and appliances are dated.

The electrical fuse box is located in the kitchen.

**The living room**

A double window in the living room overlooks the front of the dwellinghouse. The living room has adequate electrical points and is heated by a gas fire which belongs to the tenant.

**The bathroom**

The bathroom contains a bath, a WC and a wash hand basin which are all dated. There is no window in the bathroom or working extractor fan.

**The bedrooms**

Both bedrooms are located off the hallway.

**The Hearing**

As indicated, Mr Murdoch and Mr Lovat both attended the Hearing which was held after the inspection. By way of background, Mr Lovat explained the circumstances regarding the Notice to Quit. The Chairman reminded the parties that the role of the Committee was to determine the rent. The Committee asked Mr Lovat if he wished to explain why it was proposed to increase the rent to £450 per month. Mr Lovat explained that he had taken account of rents which had been achieved for similar properties in Perth and, having done so, concluded that the appropriate rent for the dwellinghouse was £450 per month. Mr Lovat provided the Committee with information regarding some of the rented properties he had taken account of. In response to questions from the Committee, Mr Lovat accepted that he had not visited the dwellinghouse for two years. Given this, the Committee asked Mr Lovat if he was still of the view that the appropriate rent should be £450 per month. In response Mr Lovat advised that he now considered that a monthly rental of £400 would be appropriate. The Committee asked Mr Murdoch if he had any knowledge of the rents of properties similar to the dwellinghouse. Mr Murdoch was unable to assist in this regard but he advised the Committee that he considered that a monthly rent of £300 would be fair.

**DECISION AND REASONS**

In determining the rent for the dwellinghouse the Committee took account of the documents previously referred to together with the evidence, comments and submissions made by Mr Murdoch and Mr Lovat.

The Committee noted that the dwellinghouse was centrally located and was convenient for access to motorway links and close to bus and train stations.

Shops, a theatre, bars and restaurants were all located nearby. In determining a rent for the dwellinghouse the Committee took account of these factors and in doing so found that the location of the dwellinghouse would appeal to many prospective tenants. The flat is also particularly spacious with a large separate kitchen, a bright aspect and some attractive architectural features which would enhance its appeal. However the Committee noted that the dwellinghouse had not been renovated or redecorated since 1982. The kitchen units and appliances were dated as was the bathroom suite. The Committee noted that most of the windows required to be repainted. There was no central heating and, although serviceable, the electrical wiring system was dated. The Committee were of the view that the dwellinghouse was in need of refurbishment and routine maintenance. The present condition of the dwellinghouse would have a detrimental impact on its rental value. In particular the Committee considered that the current condition of the kitchen and the bathroom and the lack of central heating would discourage prospective tenants.

There is no fixed or preferred method for the fixing of a market rent. While various methods can be used including return on capital or referral to market evidence of other rents in the locality, it is for the Committee to determine the best method of fixing the market rent based on the evidence before it.

No evidence was produced in relation to capital values. Given the lack of available evidence, the Committee decided it was not appropriate to proceed on the basis of return on capital value.

The Committee had before it details of residential properties to let in Perth city centre. The Committee noted that a one bedroom flat situated in Scott Street Perth was available for a monthly rent of £380. However this property had the benefit of double glazing, central heating, a communal drying area and a private car park to the rear of the property. It was clear that this property was in good decorative order. The Committee also noted that a two bedroomed city centre flat (again close to local amenities) at 76 Monart Road was available for a monthly rent of £550. However this flat is in a modern block with parking and was described as "well maintained" and had a dining room and en suite facilities. The Committee was also aware of a 2 bedroomed flat at 59 Scott Street which is let at £375 per month. This is a smaller flat on the third floor, in better condition and with double glazing and gas fired central heating. They were also aware of a 2 bedroom flat let at 48 George Street. This is smaller, in better condition and has electric heating.

From its own experience, knowledge and from the information available on the internet and in local Estate Agents, the Committee were in agreement with the landlord that a modernised two bedroomed flat in Perth town centre with central heating and double glazing in Perth would command an open market rent of around £450 per month. However, given that the subject flat is more spacious than the norm, the Committee were of the opinion that the flat could command a rent of about £500 per month. This would be the rent payable for a modernised flat with central heating and in a satisfactory condition. The Committee was of the opinion that a deduction of £125 per month should be

made from the open market rent to reflect the present condition of the dwellinghouse. Consequently the Committee determined that a reasonable open market rent for a similar dwellinghouse in a similar condition in this locality would be (in terms of section 25 of the Act) £375 per month (£4,500 per year).

Thus:

Market rent (per month)		£500
Less deduction *	£125	<u>£375</u>

\* The Committee recognised that prospective tenants would prefer a redecorated, refurbished property which had a modern kitchen and bathroom. Moreover double glazing and central heating would add to the appeal of the dwellinghouse. Consequently the Committee considered it appropriate to take account of these factors and make an appropriate deduction in rent.

**R Handley**

..... Chairman

25 June 2009  
..... Date