



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/DG1/703	15 July 2009	Tenant

ADDRESS OF PREMISES

86 The Grove, Heath Hall, Dumfries, DG1 1TW

TENANT

Mrs E West

NAME AND ADDRESS OF LANDLORD	AGENT
Dalloch Ltd. Mr S Shepherd The Rockery Orcheston Wiltshire SP3 4RP	J&E Shepherd 13 Albert Square Dundee DD1 1XA

DESCRIPTION OF PREMISES

Two storey semi detached house circa 1940 with double glazing comprising on ground floor, living room, dining room and kitchen. On upper level, three bedrooms and bathroom. There is gardens to front and paved areas to side and rear of property.

Gross floor area 81.5 square metres.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mr R Handley LLB
SURVEYOR	Mr D Marshall FRICS
LAYMEMBER	Mr S Campbell

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 3780.00 p.a.	11 September 2009	11 September 2009

R Handley

Chairman of Private Rented Housing Committee

30 / SEPTEMBER / 2009

Date

PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 11 SEPTEMBER 2009

PROPERTY: 86 THE GROVE, HEATHHALL, DUMFRIES, DG1 1TW

STATEMENT OF REASONS

INTRODUCTION

This is a reference to the Private Rented Housing Panel for the determination of a fair rent under the Rent (Scotland) Act 1984 ("the Act") by the tenant, Mrs E West, in relation to the property at 86 The Grove, Heathhall, Dumfries ("the dwellinghouse"). In the Register it was stated that the landlord was Dalloch Ltd, per Mr Simon Shepherd, the Rookery, Orcheston, Wiltshire and the tenant was Mrs Elaine West. The original rent paid by the tenant was £2,900.00 per annum. The landlord applied for a rent of £3,600.00 per annum. The Rent Officer determined a rent of £3,480.00 per annum.

The tenant was present at the inspection and the landlord was not represented.

Neither party had requested a Hearing and consequently no Hearing was held.

The Committee noted that in the written submission from Shepherd Chartered Surveyors (on behalf of the landlord), it was suggested that Mr F West had vacated a "regulated tenancy" and Mrs West would only be entitled to an assured tenancy. However the Committee noted that the Rent Register Page confirmed that the Tenancy was a "Statutory" one and had begun on 1 December 1985. The Committee considered that they had no power to vary the Rent Register in this regard.

THE DOCUMENTATION

The Committee had the following documents before it: the Rent Register documents and written representations on behalf of the landlord and on behalf of the tenant. The Committee also had details of three other comparable properties.

THE INSPECTION

Mr Robert Shea, Clerk to the Private Rented Housing Panel, introduced Mrs West to the Committee.

In the course of the inspection Mrs West told the Committee that she had been living in the dwellinghouse for 24 years. She advised that new double glazing had

been installed about three years ago and she explained that she had replaced a number of the kitchen units and had carried out a number of improvements to the dwellinghouse including the laying of new flooring and the replacement of the external back door.

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is a semi-detached two storey villa built sometime between 1930 and 1950 in a residential area of similar properties. The house is on a raised site and is close to and overlooking the A701 (the main road between Dumfries and the north). The surrounding area of Heathhall is a mix of residential and industrial properties. A small supermarket and a garden centre/coffee shop are close by. The A701 carries a relatively high volume of traffic. However Mrs West advised the Committee that the double glazing was effective in reducing the levels of noise within the dwellinghouse.

The house is clad in roughcast and the roof is tiled. Access to the dwellinghouse is by a garden path and steps. There is garden ground to the front, side and rear of the dwellinghouse. The accommodation comprises an entrance hall, kitchen and living room which leads to a small dining room. On the upper floor are two double bedrooms, one single bedroom and a bathroom.

There is no central heating within the dwellinghouse and the only source of heat is a gas fire in the living room and an electric wall heater positioned in the upper landing (both of which have been supplied by the tenant). The kitchen has fitted units which have been partly replaced by the tenant. The windows are double glazed with UPVC frames. There is loft insulation which was funded by a local authority grant. The house is in a good state of repair and redecoration although the electrical system throughout the dwellinghouse is dated.

The Committee noted that the landlord does not provide furniture or services.

DECISIONS AND REASONS

Section 48 of the Act provides that:

(1) In determining for the purposes of this part of the Act what rent is or would be a fair rent under a regulated tenancy of a dwellinghouse, it shall be the duty of the rent officer or, as the case may be, of the Rent Assessment Committee (now the Private Rented Housing Panel), subject to the provisions of this section, to have regard to all the circumstances (other than personal circumstances), and in particular to apply their knowledge and experience of current rents of comparable property in the area, as well as having regard to the age, character and locality of the dwellinghouse in question and to its state of repair and, if any furniture is provided for use under the tenancy, to the quantity, quality and condition of the furniture.

(2) For the purposes of the determination it shall be assumed that the number of persons seeking to become tenants of similar dwellinghouses in the locality on the terms (other than those relating to the rent) of the regulated tenancy is not substantially greater than the number of such dwellinghouses in the locality which are available for letting on such terms.

In terms of section 48 of the Act, the Committee is required to fix a rent that is or would be a fair rent under a regulated tenancy.

In Scotland there are three accepted methods of determining a fair rent. These are:

- determining a fair rent by having regard to registered rents of comparables houses in the area;
- taking market rents and then discounting for any scarcity element and making any appropriate disregards as required by section 48(3);
- calculating the appropriate return, based on capital value of the property, taking into account the element of scarcity.

None of these methods is regarded as the primary method.

The Committee had details of three recently Registered Rent decisions (including the dwellinghouse). The two other properties were located within the Grove, Heathhall, Dumfries. They were both semi detached properties each with two rooms on the ground floor and three rooms on the first floor. However the Committee could not inspect these properties and could not determine what condition they were in. The Committee had no way of knowing or ascertaining the key assumptions used in determining how the Registered Rents had been arrived at. The Committee concluded that the direct interpolation from such Registered Rents would not provide the best way of determining a fair rent for the dwellinghouse.

No evidence was produced in relation to capital values. The Committee decided it was therefore inappropriate to proceed on the basis of capital value.

The Committee considered that it was appropriate to compare open market rents and thereafter consider if it was necessary to make a deduction for scarcity and, if it was appropriate, to make any other deductions.

Within the landlord's written submissions were details of three comparable properties. The first of these was a one bedroom flat in Dumfries. However given that this property was a flat with only one bedroom and was located in the town of Dumfries, the Committee considered that it was of limited use as a "comparable". The second property was again a one bedroom property in Dumfries. Again, given the size, type and location of this property, the Committee

found that it was of limited value in determining a rent for the dwellinghouse. The third property was a two bedroom property in Castle Douglas. Given the size, location and type of property, the Committee concluded that this too was of limited assistance to the Committee.

From its own experience, knowledge and from the information available on the internet and in local Estate Agents, the Committee was of the opinion that a furnished three bedroom house in the Heathhall area would be available to rent for around £475 per month ("the market rent").

The Committee was of the view that there was no scarcity in relation to properties similar to the dwellinghouse in its locality. This was confirmed by the numbers of properties available to let in publications and in local Estate Agents. Consequently it was not appropriate to make any deduction from the market rent for scarcity.

The Committee however considered that a deduction should be made to take account of a number of factors.

Thus:

Market rent (per month)		£475
Less allowance*	<u>£160</u>	<u>£315</u>

* The Committee recognised that some prospective tenants would consider a property with furniture more desirable than an unfurnished property. The Committee considered it appropriate to make a further deduction in rent because the dwellinghouse did not have central heating. The Committee also considered it appropriate to make a deduction because the dwellinghouse lacked a modern kitchen, bathroom and other fittings. Finally, the Committee was of the view that there would be market resistance to a property with no floor coverings. Consequently, taking account of all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent for the dwellinghouse would be £3,780 per year.

The Committee noted that the rent now determined is higher than the rent sought and were mindful of the impact of this increase to the tenant. The Committee reminded the landlord of the provisions of section 33 of the Act.

R Handley Chairman

..... 27 SEPTEMBER 2009 Date