



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/DD9/719	3 December 2009	Landlord

ADDRESS OF PREMISES

The Old Post Office, Careston, Brechin, DD9 6SA

TENANT

Mr T Gammon

NAME AND ADDRESS OF LANDLORD AGENT

Careston Ltd
Careston Castle
Brechin
Angus
DD9 6RT

DESCRIPTION OF PREMISES

Single storey detached cottage C.1900 comprising entrance hall, living room, 2 bedrooms, kitchen and bathroom. The gross internal floor area is approximately 73 sq. m.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	R HandleyLLB
SURVEYOR	D Godfrey ARICS
HOUSING PANEL MEMBER	J Woistencroft

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4,200.00 p.a.	11 February 2010	11 February 2010

R Handley

Chairman of Private Rented Housing Committee

11 FEBRUARY 2010
Date



PRIVATE RENTED HOUSING COMMITTEE

STATEMENT OF REASONS

PROPERTY:

THE OLD POST OFFICE, CARESTON BRECHIN DD9 6SA



PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 11 FEBRUARY 2010

PROPERTY: THE OLD POST OFFICE, CARESTON,

BRECHIN, DD9 6SA

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 landlords in relation to the property at the Old Post Office, Careston, Brechin DD9 6SA ("the dwellinghouse"). The landlords are Careston Ltd, Careston Castle, Brechin, Angus, DD9 6RT and the tenant is Mr T Gammon. The original rent paid by the tenant was £3,000.00 per annum. The landlord applied for a rent of £6,000.00 per annum. The Rent Officer determined a rent of £3,600.00 per annum.

The tenant was present at the inspection. Mr Jonathan Dymock (on behalf of the landlord) attended at the dwelling house when the Committee inspected the property.

The tenant requested a Hearing and consequently a Hearing was held in Damacre Education Centre at 11.45am on the day of the inspection. The tenant and Mr Dymock attended the Hearing.

THE DOCUMENTATION

The Committee had a bundle of documents which included the Rent Register documents and written representations on behalf of the landlords.

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is a single storey, detached cottage built around 1900 and is located off the A90 (the main road between Dundee and Aberdeen). The dwellinghouse is situated in a rural area and is surrounded by agricultural land.

The dwellinghouse is stone built with a slate roof. There is garden ground to the front and rear of the dwellinghouse. The accommodation comprises a small entrance hall which leads to a living room. The main bedroom is accessed from the living room. A second bedroom is located off the entrance hall. A bathroom has been added to the dwellinghouse (in the 1960's). The tenant has tiled the

area around the bath and installed an electric shower. The kitchen is located off the entrance hall. The kitchen units, sink and washing machine have been provided by the landlord. The kitchen units are dated but functional.

Electric storage heaters/heaters are located in the dwellinghouse (but not in the bathroom). These have been provided by the landlords. The tenant has provided a dimplex heater in the bathroom, an electric fire in the living room and an electric heater in the kitchen. The electrical system throughout the dwellinghouse is adequate.

The windows are double glazed (with the exception of the bathroom which has single glazed metal framed units) and the loft is insulated (funded by a local authority grant). There was evidence of dampness within the dwellinghouse particularly within the entrance hallway, the kitchen and the second bedroom.

A garage/outbuilding is located beside the dwellinghouse. These buildings are in a poor state of repair and require repairs.

The internal floor area measures approximately 73 square metres.

The Committee noted that the landlords do not provide furniture or services.

THE HEARING

The Chairman welcomed the parties to the Hearing and invited Mr Dymock to expand on the written submissions. In response Mr Dymock advised the Committee that he had ascertained that the rent for similar properties within the Angus area would be around £500 per month. He submitted that significant repairs had been carried out to the dwelling house and these repairs had been carried out timeously. He suggested that the dwellinghouse was wind and water tight and reminded the Committee that the dwellinghouse had double glazing. Nonetheless Mr Dymock accepted that a rental of £500 would be for a property in good condition and that it would be appropriate to make a deduction to the rent on account of the present condition of the dwellinghouse.

The Committee reminded Mr Dymock that there was evidence of dampness within the dwelling house and asked if he wished to comment on this matter. In response Mr Dymock told the Committee that he had been advised that the dampness in the kitchen and the entrance hallway was caused by condensation. He suggested that an extractor fan would alleviate the dampness problem in the kitchen. Mr Dymock accepted that it was likely the dampness in the second bedroom was as a consequence of water penetration.

Mr Gammon expressed concerns that repairs were not being carried out as promptly as they had been previously and he asked Mr Dymock to clarify what "significant repairs" had been carried out. In response Mr Dymock submitted that

the windows had been replaced in the dwellinghouse more than five years ago.

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 dwellinghouse 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 dwelling houses 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 no details of Registered Rent decisions.

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 determine if it was necessary to make a deduction for scarcity and if it was appropriate to make any other deductions.

Within the landlords' written submissions were details of seven comparable properties. These were all two bedroomed properties which had been let within the past six months and the rents ranged from £450 - £500. Although the Committee could not inspect these properties, from its own experience and knowledge and from the information available on the internet and in local Estate Agents, the Committee was of the opinion that a two bedroomed detached house (unfurnished) in a location similar to the one in which the dwellinghouse was located would be available to rent for around £500 per month ("the market rent"). However this would be for a property which had been modernised and had effective central heating.

The Committee was of the view that there was an element of scarcity in relation to properties similar to the dwellinghouse in its locality. This was confirmed by the lack of properties available to let on the internet, in publications and in local Estate Agents. Consequently it was appropriate to make a deduction from the market rent to reflect this element of scarcity.

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

Thus:

Market rent (per month)		£500
Less allowance*	£50	
Less allowance**	£50	
Less allowance ***	£50	<u>£150</u>
		<u>£350</u>

* The Committee noted that the main bedroom was located off the living room and recognised that the general layout of the dwellinghouse would make it less desirable to some prospective tenants. The Committee considered it appropriate to take account of this factor. The Committee also noted that the fixtures and fittings in the kitchen and bathroom were somewhat dated (albeit they were functional). The lack of a modern kitchen and bathroom would be likely to have an impact on the rent achieved for the dwelling house. The Committee also noted that the heating system was limited in its effectiveness and that the outbuildings were in a poor state of repair. Given the present condition of the dwellinghouse, the Committee considered that it was appropriate to make a deduction in rent to reflect these circumstances.

** The Committee found evidence of dampness within the dwellinghouse particularly within the kitchen, entrance hallway and second bedroom. The Committee noted the comments of Mr Dymock in regard to the dampness in the kitchen and the hallway. However it appeared to the Committee that it was likely

that the dampness in the entrance hallway was not caused by condensation but by a defective down pipe which was preventing water draining properly and causing dampness. Similarly it was clear to the Committee that the dampness in the second bedroom was caused by water ingress. Although the tenant told the Committee (at the Hearing) that he no longer required to use this room as a bedroom, the Committee were of the view that the dampness present in the room was such that many prospective tenants would not wish to use it as a bedroom. Consequently the Committee considered it appropriate to make a further deduction in rent to reflect the dampness present within the dwelling house.

*** The Committee also noted that there was evidence of scarcity within the area. Whilst there were two bedroomed properties available to let in the nearby town of Brechin, it was clear that there were a lack of similar properties to let in the area in which the dwellinghouse was located. Moreover properties which were placed on the open market (for rent) were let relatively quickly. There was also evidence of general increases in rent for similar properties in the Angus area. In these circumstances the Committee considered that it was appropriate to make a further deduction of 10% from the market rent.

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 £4,200 per year.

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

..... 20 FEBRUARY 2010 Date