



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/DG1/645	26 June 2008	Tenant

**ADDRESS OF PREMISES**

G/F 22 Academy Street, Dumfries, DG1 1BY

**TENANT**

Mr J Douglas

NAME AND ADDRESS OF LANDLORD	AGENT
Wardhouse Investments Ltd. Studio 4 Royal Victoria Building John Archer Way London SW18 3SX	N/A

**DESCRIPTION OF PREMISES**

Ground floor tenement flat circa 1900 comprising one room, kitchen and bathroom.

**SERVICES PROVIDED**

None

**COMMITTEE MEMBERS**

CHAIRMAN  
SURVEYOR  
LAYMEMBER

Mr R Handley LLB  
Mr D Marshall FRICS  
Mr S Campbell

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 2160.00 p.a.	21 August 2008	21 August 2008

**R Handley**

Chairman of Private Rented Housing Committee

29 August 2008

Date

## STATEMENT OF REASONS

PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 21 AUGUST 2008

PROPERTY: GF, 22 ACADEMY STREET, DUMFRIES

### INTRODUCTION

This is a reference to the Private Rented Housing Panel for the determination of a fair rent under the Rent (Scotland) Act 1984 by the tenant Mr James Douglas in relation to property at GF, 22 Academy Street, Dumfries ("the dwellinghouse"). The landlords of the dwellinghouse are Warehouse Trust, Studio 4, Royal Victoria Building, John Archer Way, London. The original rent paid by the tenant was £155 per month. The landlord applied for a rent of £180 per month. The Rent Officer determined a rent of £180 per month. The reference arises from the dissatisfaction expressed on the part of the tenant.

### THE DOCUMENTATION

The Committee had the following documents before it: the Rent Register pages and written representations from the tenant and the landlords.

### THE INSPECTION

The tenant was present at the inspection. The landlords were not represented. Neither the tenant nor the landlords had intimated that they wished to attend a Hearing and consequently no Hearing was held.

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

### DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is a ground floor flat in a row of terraced houses located at 22 Academy Street, Dumfries. It is stone built with a slated

roof and was built circa 1900. It has a single storey, flat roofed extension to the rear. The front of the dwellinghouse is roughcast. It has no central heating and has single glazing. It is located near shops, public houses and the town centre. Public transport (both buses and trains) is available nearby.

The tenant has shared access to a small garden to the rear of the dwellinghouse which has a "drying" area. This garden area has not been properly maintained. It was not possible for the Committee to conduct an inspection of the roof but it was apparent that gutters and pipes were blocked thus preventing proper drainage of rain water.

The dwellinghouse comprises a living room/bedroom, a kitchen and a bathroom. The dwellinghouse is entered from Academy Street through a small common hallway. The front door of the dwellinghouse opens to the living room/bedroom off which is located the kitchen. A small corridor off the kitchen leads to the bathroom. The communal garden area is accessed through an external door located in this corridor.

The living room has a single glazed window which overlooks Academy Street. The room is heated by an electric fire supplied by the tenant.

The kitchen (off the living room) has sink/storage cupboards. The tenant supplied the cooker, fridge and all other fittings.

The bathroom has a WC, wash hand basin and bath.

The electrical system throughout the dwellinghouse is adequate. The windows are single glazed. The tenant drew the Committee's attention to the state of the window in the living/bedroom. It was clear to the Committee that the window requires to be painted. Academy Street is a busy street with heavy traffic and the Committee accepted the tenant's submission that the living/bedroom can be noisy. However it appeared to the Committee that all windows within the dwellinghouse were wind and water tight. The dwellinghouse is in reasonable standard of repair and decorative order.

The tenant advised the Committee that he thought there was dampness in the living room. Although the Committee found no evidence of dampness, it was accepted that condensation might occur due to the lack of ventilation - the window opened on to a busy main road.

## 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 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 Rent (Scotland) Act 1984, 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:

- (a) determining a fair rent by having regard to registered rents of comparables houses in the area;
- (b) taking market rents and then discounting for any scarcity element and making any appropriate disregards as required by section 48(3);
- (c) 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.

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 capital value.

Neither the landlord nor the tenant had provided the Committee with specific information or evidence about comparable rents (either in the open market or under registered rents terms) which could assist the Committee determine a fair rent for the dwellinghouse.

The Committee considered that to establish a fair rent it was appropriate to compare open market rents and thereafter review what might be an appropriate deduction for scarcity and to make any other appropriate deductions (if any).

The Committee was of the view that there was no scarcity in relation to properties similar to the dwellinghouse in its locality. The Committee had details of two one bedroom flats situated in Dumfries town centre near the dwellinghouse. These were available for a monthly rent of £350. 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 an unfurnished one bed roomed flat of small area (such as the dwellinghouse) located on a busy main road would be available for rent of around £280 per month ("the market rent").

However the Committee considered that a number of deductions should be made to take account of various factors.

Thus:

Market rent (per month)	£280
Less allowance **	£60
Less allowance ***	£15
Less allowance ****	£25
	<u>£100</u>
	<u>£180</u>

\* Now the Private Rented Housing Panel

\*\* The Committee considered that the dwellinghouse could not be described as a "one bed roomed flat". One bed roomed flats would have a living room and a separate bedroom. As already indicated the tenant's bed was in the living room - the only room in the dwellinghouse (other than the

kitchen and bathroom). It was also noted that the front door of the dwellinghouse opened into the living/bedroom (ie there was no internal hallway). The Committee considered that these factors would make the dwellinghouse less desirable than a one bed roomed flat. Consequently the Committee considered it appropriate to take account of this factor and make a deduction of £60 from the market rent.

\*\*\* The Committee considered it appropriate to make a further deduction of £15 in the market rent because the dwellinghouse had no floor coverings (these were supplied by the tenant) and no central heating.

\*\*\*\* The Committee noted that, other than the kitchen sink unit, all kitchen fixtures and fittings were supplied by the tenant. In this condition the dwellinghouse would be less desirable than one which had a modern fully fitted kitchen. Consequently it was considered appropriate to make a further deduction of £25.

Consequently the Committee considered that a fair monthly rent for the dwellinghouse was £180 (£2160 per annum).

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

..... 26 August 2008 ..... Date