PRIVATE RENTED HOUSING PANEL
Housing (Scotland) Act 1988
Register Of Rents Determined Under Statutory Assured Tenancies

| REFERENCE NO. | APPLICATION RECEIVED |
| :--- | :--- |
| PRHP/RA/15/0246 | 2 September 2015 |

## SERVICES PROVIDED

None

## COMMITTEE MEMBERS

| CHAIRPERSON | Anne McCamley |
| :--- | :--- |
| SURVEYOR MEMBER | Sara Hesp |
| HOUSING MEMBER |  |


| PRESENT RENT | $£ 4200$ |
| :--- | :--- |
| PROPOSED RENT | $£ 6,000.00$ |
| DETERMINED RENT | $£ 4800$ |
| DATE OF DECISION | EFFECTIVE DATE |
| 1 December 2015 | $29 / 1 / 16$ |

A McCamley

Chairperson of Private Rented Housing Committee
Date $1 / 12 / 15$

DETERMINATION

## STATEMENT of REASONS

PRIVATE RENTED HOUSING COMMITTEE
INSPECTION \& HEARING HELD ON $1^{\text {st }}$ DECEMBER 2015
HOUSING (SCOTLAND) ACT 1988
PROPERTY: 8 HIGH STREET, LOCHALINE, MORVERN, ARGYLL

TENANT: Ms ANNA SANSOM, 8 HIGH ST, LOCHALINE
LANDLORD: Ms ANITA HOGG, CANNON LANE, MAIDENHEAD CASE REFERENCE: PRHP/RA/15/0246

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1.This is an application to a Private Rented Housing Committee under the provisions of section 25(1) of the Housing (Scotland) Act 1988 in relation to a statutory assured tenancy following service of a notice of increase in rent (Form AT2) The rent payable by the tenant had been $£ 350$ per month, and, in terms of said notice, the landlord proposed to charge a rent of $£ 500$ per month with effect from $29^{\text {th }}$ January 2016. The tenant lodged form AT4 requiring a Private Rented Housing Committee to determine the rent payable under the tenancy.
2.On $1^{\text {st }}$ December 2015, the Committee, comprising Mrs. A. McCamley (Chairman) and Mrs. S. Hesp (surveyor member), inspected the property. The tenant was present and the landlord was represented by her daughter, Ms Kay Malcolm of 21 Torr Na Faire, Lochaline, Morvern, Argyll.

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3.The property is a detached dwellinghouse dating from the early twentieth century. It is built of rendered stone and has a pitched slate roof. It has a large garden with two sheds. It is situated at the top of the hill road into the village of Lochaline and has unrestricted views of the sea. Although the inspection took place on a very wet dull day in December the Committee found the location to be stunning. Lochaline is an isolated village at the end of a 14 mile single track road. The village is a ferry port to Mull making it busy with holiday traffic over the summer months.
4.Inside, the property comprises sittingroom, two bedrooms, bathroom (in a lean to extension), galley kitchen and garden room/conservatory. It is a single storey property with roof space storage. The property measures (approx.) 66 square meters excluding the garden room/conservatory.
The property is double glazed (with the exception of the kitchen which has single glazed casement windows) and has solid fuel central heating. The wiring is at least 20 years old, the external door of the garden room/conservatory

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does not close and there has been some flooding at the rear of the house. The bathroom window is broken.

At the commencement of the tenancy the landlord believes she provided a furnished let however it appears the tenant has replaced some of the furniture, and white goods in the kitchen without the prior knowledge or consent of the landlord. No inventory could be produced to confirm the nature of any fittings and furnishings provided.
5. The Committee found the property to be structurally sound but in need of general repair and maintenance.
6.The matter was set down for a hearing within the Lochaline Hotel at the conclusion of the inspection. The tenant and landlord had both requested that a hearing take place. Originally the landlord had hoped to be represented by her solicitor but in the event she was represented by her daughter. The tenant was supported by her daughter and infant grandson.

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7.The tenant explained she likes living in a simple way in a small house. She likes to be very independent and does not trouble the landlord with what she sees as minor repairs, for example, when the door of the garden room/conservatory failed to close she repaired it by hanging a sheet of heavy duty plastic across the doorframe. Ms Sansom is dealing with the flooding in the garden by placing sandbags against the back walls and believes she has sorted a dampness problem in the bathroom by digging round the foundations. She has not reported the broken window in the bathroom and generally prefers take care of things herself. Ms Sansom has taken advantage of the government scheme to install/replace central heating without any expenditure on her part. This replaced an older heating system and consent was obtained from the landlord. Ms Sansom has replaced white goods in the kitchen without seeking consent from the owner although permission was sought and obtained to change the cooker to a gas model.
8.Ms Sansom told the Committee she was aware of two properties in Lochaline which are privately let on the open market and which are not 'holiday lets'. One house is at the other end of High Street however this is a much larger property than number 8 and has recently been done up to a very high standard. She believes the rent for this property is £600 per month. The other property is 'a big house at the pier' however Ms Sansom is unaware of the rental figure achieved. Ms Sansom was able to advise of the rents paid by social housing tenants in the Highland area having obtained a copy of the annual report of those housing providers. Social housing rents are not comparable rents in this case. The social housing provider is in a position to voluntarily discount what might be seen as a market rent to enable a specific group of qualifying tenants to rent housing at a discounted rate. The private landlord is not in that position and does not have such an obligation. Ms Sansom is profoundly anxious that any increase in her rent should not exceed her Housing Benefit award.
9.For the landlord, Ms Morrison explained that all defects which had been reported had been addressed. Her mother now requires to sell the property to release capital and, after consulting her solicitor about the proposed sale, she was advised the current rental figure was too low. Further advice was taken from a firm of solicitors and estate agents in Inverness who suggested a rent of $£ 600$ per month might be sought, although parties confirmed the agents had not inspected the property. Ms Hogg had not wanted to impose such a large increase and instructed the rent should be increased to $£ 500$ per month. Ms Morrison herself had looked at the Rightmove property site and believed rents of between $£ 500$ - $£ 700$ could be achieved in the Highland area.
10.Having considered the whole written and oral evidence it is appropriate that this Committee should now determine the present application. We have taken account of all relevant information presented at the hearing and in the written submissions. The personal circumstances of the parties are not relevant to this decision.

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11.Section 25(2) of the Act requires the Committee to disregard any effect on the rent attributable to an improvement carried out by the tenant. The solid fuel central heating system was installed as part of a publically funded scheme at the request of the tenant, but without any expenditure on her part. It is a matter of agreement that the landlord had given consent. While there was previously a heating system in place, there is an obvious advantage in replacing old with new when the opportunity arises. The tenant's application would not have been passed if the previous system had been fit for purpose. In the opinion of the committee the new heating system was installed at the instigation of the tenant and is to be disregarded for the purpose of determining the appropriate rent, notwithstanding that the system was not funded by the tenant. In the longterm, the landlord will gain the benefit of the enhanced value to the property resulting from the installation of the central heating.
12.In terms of section 25(1) of the Act the committee is required to have regard to the rent at which the property

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might reasonably be expected to be let in the open market under a statutory assured tenancy. The Committee did not find particularly helpful the details of the two properties spoken of by the tenant. No rental information was provided for the house at/on the pier, the house at number 1 High Street is described as very much larger and again the information regarding the rental achieved is not verified.
13.The landlord's daughter spoke of properties she had looked at on a property website, however, she did not bring details of specific properties to allow the Committee to make comparisons. Indeed the websites can only give an indication of what landlords wish to receive by way of rent not necessarily the rents which are achieved. We also had concerns about the potential for some properties to be advertised as summer lets at much higher rental figures than could be achieved by a statutory tenancy.
14.The Committee considered carefully all the available evidence in this case. The Committee also made enquiry of property agents throughout the west highland area, and

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looked at Rightmove and Zoopla property websites. The Committee did not find directly comparable properties. The Committee did find that 2 bedroom semi detached properties in the west highlands renting out at $£ 400-£ 450$ per month. (We found no material difference in the rents of furnished and unfurnished properties.) These semi detached properties are larger and modernized while the applicant property is considerably smaller but detached and with a large garden. Although structurally sound, the applicant property is in need of repair and maintenance, the wiring is outdated, there is flooding to the rear of the property. We believe it is appropriate to use the 2 bedroom semi detached properties as a benchmark for our comparisons making adjustments as appropriate to reflect the various benefits of a detached property against a semi detached, the state of repair of the property, and room size. While the tenant acknowledges she has not notified the landlord of many of the defects, the landlord has not inspected the property on a regular basis in order to inform herself of any current repair and maintenance issues which it might be her duty to address. As regards the furnishings we concluded the landlord may have provided

some items however these may have been insufficient for the tenant's needs or not to her taste and the furnishing currently in the property appears to belong to the tenant. In any event we did not find it necessary to determine the issue as it is not a material factor in determining rent in this area.
15. On the basis of the committee's own knowledge as further informed by recent research and disregarding the 'tenant's improvement', it is considered that a rent of $£ 400$ per month is a rent which a landlord might reasonably expect and the Committee has accordingly determined that figure as the rent payable by the tenant with effect from 29 th January 2016.

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