Decision of the First-tier Tribunal for Scotland (Housing and Property Chamber) ('the Tribunal') in connection with an application by the Tenant under sections 24(3) and 34(1) of the Housing (Scotland) Act 1988.

Chamber Ref: FTS/HPC/RA/26/2329

Ceanghline, Straloch, Enochdhu, Blairgowrie, PH10 7PJ ("The Property")

The Parties:-

Moira Thomson residing at Ceanghline, Straloch, Enochdhu, Blairgowrie, PH10 7PJ ('the Tenant')

Lucy Holt, residing at Straloch House, Straloch, Enochdhu, Blairgowrie, PH10 7PH ('the Landlord')

Thorntons Law LLP, Dundee ('The Landlord's Representative')

The Tribunal members: Jacqui Taylor (Chairperson) and David Godfrey (Ordinary Member).

1. BACK GROUND

The Tenant is currently paying rent of £520 per month £6240 per annum.

The Landlord applied for an increase in the rent when her solicitor served the Tenant with a notice of increase of rent on form AT2, dated 20th March 2026. The AT2 form stated that the new rent of £1200 per month would take effect from 29th September 2026. The Tenant objected to the increase and applied to the Tribunal for the rent to be reviewed on form AT4 dated 21st May 2026.

2. NOTICE OF ACCEPTANCE

On 28th May 2026 James Bauld, as Convenor of the First- tier Tribunal (Housing and Property Chamber), signed the Notice of Acceptance which stated that he had considered the application, comprising documents received on 22nd May 2026 and he referred the application under Section 22 (1) of the Act to a Tribunal.

3. DIRECTION

The Tribunal issued a Direction dated 14th September 2026 in the following terms:

'The parties have been advised that the Tribunal will consider the Tenant's AT4 application to determine the rent for the Property at a hearing to be held at 14.00 on 23rd October 2026 in Inveralmond Business Centre, 6 Auld Bond Road, Perth, PH1 3FX, following the earlier inspection of the Property at 11.30 am.

In determining the market rent for the Property the Tribunal are required to consider the rentals of comparable properties in the locality.

(One) The Parties are Directed:

(1) To provide the Tribunal with rental information of comparable properties.

(2) To provide the Tribunal with a copy of the Tenancy agreement, any AT5 and any Notice to Quit that was served on the Tenant.

(3) To provide the Tribunal with written representations as to whether they consider the tenancy to be a statutory assured tenancy with supporting evidence and authorities.

The information and Documents must be provided to the Tribunal by 5th October 2026.

(Two) The Tribunal have sourced the following rental information:

(i) 5 bedroom detached house for rent in Chapelhill Farmhouse, Alyth, Blairgowrie, Perth and Kinross, PH11 £1500 pcm.(Rightmove)

(ii) 3 bedroom detached house for rent in Ardtalnaig, Aberfeldy, PH15 £1300 pcm (Rightmove)

(iii) Bridge Of Cally PH10 3 bed detached house to rent - £1,300 pcm (£300 pw) (openrent.co.uk)

(iv) 4 Bardmony Farm Cottages, Alyth... 3 bed bungalow to rent - £995 pcm (£230 pw) (Rightmove).

The parties are Directed to provide the Tribunal with representations and any further information with regards to the said rental information of comparable properties by 5th October 2026.'

4. WRITTEN REPRESENTATIONS

4.1 Written Representations by the Landlord's Solicitor:

The Landlord's Solicitor sent the Tribunal written representations dated 29th September 2026 in the following terms:

'1.This written note of submissions has been prepared in accordance with the Tribunal's letters of 8th September 2026 and 14th September 2026, which were received by the Respondent's solicitors on 15th September 2026 and 18th September 2026 respectively. The Respondent notes that the Tribunal has assigned 11:30am on Friday 23rd October 2026 for an inspection of the dwellinghouse at Ceanghline, Straloch, Enochduh, Blairgowrie, Perthshire, PH10 7PJ (hereinafter called "the Subjects") and, thereafter, a hearing at 2:00pm on the same date at Inveralmond Business Centre, Perth.

2. The Respondent served a Form AT2 on the Applicant by recorded delivery post on 20th March 2026 proposing to increase the rent from £520.00 per month to £1,200.00 per month. The Applicant subsequently advised the Respondent's solicitors on 17th May 2026 that she did not accept the proposed increase and she would apply to the Tribunal for a determination of the rent. The Applicant lodged a Form AT4 with the Tribunal on 22nd May 2026.

3. The Respondent has lodged a first inventory of productions and productions and a list of authorities and authorities with this written note of submissions to assist the Tribunal

Background

4. The Respondent is the registered proprietrix and landlord of the Subjects. The Subjects form part of wider subjects, which are registered in the Land Register of Scotland under Title Number PTH62326. The Respondent's mother was previously the registered proprietrix and landlord of the Subjects. On 19th May 2022, the Subjects and the wider subjects were transferred to the Respondent. On 17th June 2024, the Respondent instructed her solicitors to serve a notice to quit and a section 33 notice on the Applicant by recorded delivery post. Thereafter, the Respondent instructed her solicitors to raise an application for eviction on 12th November 2024 in the Tribunal under reference FTS/HPC/EV/24/5246 seeking an order for possession under section 33 of the 1988 Act. The Respondent intended to sell the Subjects and did not wish to be a landlord of the Subjects anymore. As at 29th September 2026, the Respondent's solicitors have not received the written decision of the Tribunal. However, it is understood from enquires with the Tribunal's administration that the President's Office has been involved due to the lack of a written decision from the Legal Member. Furthermore, the Respondent's solicitors understand that the Tribunal determined

at the hearing on 3rd February 2026 that the tenancy is an assured tenancy and not a short assured tenancy. The application for eviction was accordingly dismissed by the Tribunal.

5. The Subjects comprise a four-bedroom dwellinghouse. Whilst a room in the Subjects was previously treated as a fifth bedroom, the Respondent is of the view that said room should not be counted as a bedroom for the purposes of this application and is content for the Tribunal to proceed on that basis.

6. It is important to note that the extent of the assured tenancy for the Subjects is in relation to the dwellinghouse and the immediate garden ground. It does not extend to the wider area of land in the title sheet. The Applicant and her late husband had use of surrounding land and outbuildings but there was not a lease in place. The Applicant and her late husband occupied the wider area of land merely by permission from the Respondent's predecessor in title.

7. It would not be disingenuous to state that the Applicant and the Respondent have diametrically opposing views on the rent increase. The Applicant and the Respondent have not reached an agreement about the rent increase and this has culminated in the Applicant raising this application with the Tribunal.

Status of the tenancy

8. The Respondent's position is simply that she has no alternative but to accept, at this stage, that the tenancy is a statutory assured tenancy in terms of section 16(1) of the Housing (Scotland) Act 1988 (hereinafter called "the 1988 Act"). The lack of a written decision from the Tribunal to date has not provided the Respondent with an opportunity to formally consider its decision and reasoning for the type of tenancy. The Applicant can only go by the brief verbal decision issued by the Tribunal on 3rd February 2026. It is understood that the Tribunal held that the tenancy was an assured tenancy. For the avoidance of doubt, the Respondent reserves her position in respect of the Tribunal's decision of 3rd February 2026.

9. The notice to quit served on the Respondent on 17th June 2024 terminated the contractual assured tenancy on 29th September 2024 and so long as the Applicant retains possession of the Subjects, then she continues to benefit from a statutory assured tenancy.1 The termination of the contractual assured tenancy by serving a notice to quit on the Applicant cannot be challenged by the Applicant. The Applicant is occupying the Subjects on a statutory basis and not a contractual basis. Clause 2

of the offer of let does not apply in the circumstances.2 The rent can only be increased in accordance with the statutory provisions hereinafter outlined.

Proposed rent increase and Tribunal's jurisdiction and powers to determine the rent

10. As the Tribunal is aware, the Respondent wishes to increase the rent from £520.00 per month to £1,200.00 per month. The Applicant and her family have benefited from a very low rent of the Subjects for a significant period time. The Tribunal now requires to consider; 1 Section 16(1) of the 1988 Act. 2 Section 16(1)(b)(ii) of the 1988 Act. 3 what the new rent should be because the Applicant has asserted her statutory right to apply to the Tribunal for a determination. The whole premise of assured tenancies was to take away rent controls encountered under regulated tenancies and for an open market rent to be charged. Indeed, the Tribunal is required to determine what rent the Subjects would reasonably be expected to be let in the open market for.

11.The relevant legislation for rent increases under assured tenancies is contained in sections 24 and 25 of the 1988 Act. Section 34 of the 1988 Act does not apply in this instance because the Tribunal determined at the hearing on 3rd February 2026 that the tenancy was an assured tenancy.

12. In terms of section 24(3)(a) of the 1988 Act, the Applicant is entitled to apply to the Tribunal for the rent to be determined by the Tribunal. In terms of section 25(1) of the 1988 Act, ***the Tribunal shall determine the rent at which****, subject to subsections (2) and (3),* ***it considers that the Subjects might reasonably be expected to be let in the open market*** *by a willing landlord under an assured tenancy: (a) which begins at the beginning of the period to which the new rent specified in the notice relates; (b) the terms of which (other than those relating to rent) are the same as those of the tenancy to which the notice relates; and (c) in respect of which the same notices, if any, have been given under any of Grounds 1 to 5 of Schedule 5 to the 1988 Act, as have been given (or have effect as if given) in relation to the tenancy to which the notice relates.*

13. In terms of section 25(2) of the 1988 Act, where the Tribunal makes a determination under said section, there shall be disregarded any effect on the rent attributable to: (a) the granting of a tenancy to a sitting tenant; (b) an improvement carried out by the tenant or a predecessor in title of his ***unless the improvement was carried out in pursuance of the terms of the tenancy****; and (c) a failure by the tenant to comply with any terms of the tenancy.*

14.Section 25(3) of the 1988 Act is not relevant to this case. The Respondent adds emphasis to the phrases underlined and in bold above. The Tribunal requires to determine the new rent as at 29th September 2026 (i.e. the date specified in part 2 of the Form AT2). The terms of the tenancy are set out in the offer of let and the Respondent's predecessor in title did not give notice under Grounds 1 to 5 of Schedule 5 to the 1988 Act. Any improvements made by the Applicant are not a term of the tenancy.

15. The Respondent commissioned a report from her land agents, CKD Galbraith LLP, on 29th January 2026 to ascertain the current market rental value of the Subjects. The Tribunal will note that the market rental value for a four-bedroom dwellinghouse in January 2026 ranged from £1,500.00 to £1,950.00 per month. The Tribunal's enquiries have ascertained that a five-bedroom dwellinghouse is £1,500.00 per month and three-bedroom dwellinghouses between £995.00 per month and £1,300.00 per month. The Respondent does not seek to obtain the upper rates of rent specified by the Tribunal and in her land agents' report. The Respondent is not an unreasonable landlord. However, the Respondent requires to operate in a commercial manner and has taken the view that £1,200.00 per month would be a reasonable rent in the circumstances. The Respondent is not a charity and requires to cover her overheads associated with the letting of the Subjects (i.e. maintenance, repairs and renewals and administration costs). The current annual rent is £6,240.00. The Respondents costs were £9,847.00 in tax year 2023/24, £4,624.00 in tax year 2024/25 and the Respondent anticipates her costs for tax year 2025/26 will be £9,222.86. The Tribunal's attention is drawn once again to the fact that the Subjects are not a three-bedroom dwellinghouse and are, at the very least, a four-bedroom dwellinghouse. The Applicant's proposals towards a very minor rent increase are derisory to the Respondent and do not take account of the actual economics of the situation and the law of rent increases applicable to assured tenancies. It is submitted that the Applicant's subjective views are invalid as a matter of law due to the statutory criteria set by Parliament.

Relevancy of Applicant's submissions to the Tribunal

16. The Respondent submits that it is not the function of the Tribunal to determine what is a reasonable rent in terms of the Applicant's subjective view. The Tribunal is bound to follow the statutory criteria set out in sections 24 and 25 of the 1988 Act. A great deal of what is stated in the Applicant's submissions to the Tribunal is

irrelevant in law. The Tribunal is bound as a matter of law to exclude from its consideration matters, which are not relevant and only to take into account matters that are relevant. For the Tribunal to stray from that would result in an error of law in the Respondent's view.

17. The Applicant clearly has very entrenched views on matters and she has been previously given a great deal of latitude by the Respondent and her predecessor in title. Indeed, the rent was set at a very low level historically. It is not commercially viable for the Respondent to continue at such a low rent. The Respondent does not have a ground to sell the Subjects under Schedule 5 to the 1988 Act and, therefore, can only increase the rent in the circumstances.

Conclusion

18. For the foregoing reasons, the Respondent respectfully submits that the proposed increase in the rent from £520.00 per month to £1,200.00 per month is well within the current market rents for the local area and for the type of dwellinghouse, which the Subjects comprise.

19. The Respondent, therefore, submits that the new rent should be fixed by the Tribunal at £1,200.00 per month from 29th September 2026 in terms of section 25(6) of the 1988 Act.'

4.2 Written Representations by the Tenant:

The Tenant sent the Tribunal extensive written representations including written representations dated 5th October 2026 in the following terms:

'We submit to the First Tier Tribunal for Scotland and the Chamber President the following legal points which support the validity of our secure life tenancy with an affordable rent.

1. The verbal honourable agreement for lifetime security with low rent is evidenced by the previous landlord's consistent affordable rent from 1996 to 2022, and free rental of the surrounding 6 acres 1996 to 2026.

2. The previous landlords wishes in 2021 for continuance of lifetime security with low rent for the tenants is evidenced by the previous landlord's consistent affordable rent and by continuance of the affordable long-term low rent 2022 to 2026 after the Estate was transferred to the current landlord.

3. a) The previous landlord could not have anticipated that, after 25 years, once she had passed her estate to her daughter, her daughter would disrespect and disobey

her wishes to continue her honourable lifetime security agreement with her friends, the tenants, renege upon her wishes, mistreat and attempt to exploit and evict the tenants.

b) The previous landlord clearly had her reasons not to follow the rule of law to create a formal legal Assured Life Tenancy lease for house and land in 1996 or in 1997.

c) The land rental was free. The previous landlord said she did not intend or wish to profit from the tenants' efforts "to revolutionise agriculture and alleviate climate change in their own lifetimes". She did not wish to burden the tenants with unnecessary land rental payments, although rent for such poor land was only £40 per acre per year (£240 per year is a significant amount to a low-income family, and an insignificant amount to the wealthy landowner). However, her intention was to enter into legally binding relations and arrangements with the tenants which included informal verbal agreements between friends.

4. As the previous landlord now has dementia, the fog around this issue - her reasons, motivation and longterm intentions - may never be clear to her daughter. But, her actions and conduct are strong evidence of her intentions, words, and of her demeanour to support the greater good via supporting 2 un-wealthy eco-artists, their young organic family and worthwhile unique pioneering project - an achievable, duplicable vision for a positive future of fertile organic agriculture, animal and human health, globally.

5. The previous landlord's informal "amicable" approach to general tenancy and land law legalities - in the tenants ecological homestead circumstances - can be viewed as her "Artistic Licence" to exercise her rights as the landowner; to kindly allow her friends - the unwealthy artist tenants - to "adopt" the bleak 6 acres of marginal land as a "blank canvas" and the bleak, neglected, isolated old house at an affordable rent, for the tenants to regenerate, heal and love the whole site for future generations (results of which she had witnessed and commended at the tenants' previous Earth Regeneration Centre - thus she made her first offer of rental of the house and poor land site to the tenants.

She has been a strong, frank, kind, comprehending comrade who has genuinely respected and cared about us, our family, our project, our best interests. Her true

wishes are clearly evidenced to us, to the Eviction and Rent Tribunals. As are her daughter's.

I reiterate that the honourable agreement with the previous landlord is legally binding and valid, for the following reasons:

i.) Land and Property: she was not offering buying, selling, or transferring houses, land, or buildings to the tenants. She was sharing.

ii.) Long-term Leases: she was not offering any formal Leases relating to land that last for more than one year - which would have required to be contractually paid for by the tenants over the last 30 years. She had the tenants' best interests at heart. She was sharing.

iii.) Gratuitous Promises: she was not offering any formal promise to give something or do something without receiving anything in return (such as a promise to leave property in a will) generally requires a signed document. She was sharing. I support these statements with the findings of the Eviction Tribunal 03/02/26, that our evidence submitted had confirmed that our agreement with the previous landlord meets the basic requirements of contract law and legally binding agreements; and with the following information on verbal agreements points of Law; from Google: "Under Scots law, verbal agreements are legally binding and enforceable for most everyday transactions, provided they meet the basic requirements of contract law. Core Requirements To be valid, a verbal agreement must include:

• Offer and Acceptance: A clear proposal made by one party and fully accepted by the other.

• Intention: Both people must intend to create a legally binding relationship rather than just making a casual remark or social promise.

• Certainty: The main terms of the deal must be clear and specific.

• Consensus in idem: A Latin term meaning a "meeting of the minds," where both parties agree on the exact same things.

Exceptions (When Writing is Required) Under the Requirements of Writing (Scotland) Act 1995, certain contracts are invalid unless they are put in writing and formally signed. These include:

• Land and Property: Buying, selling, or transferring houses, land, or buildings. • Long-term Leases: Leases relating to land that last for more than one year Gratuitous Promises: A promise to give something or do something without receiving

anything in return (such as a promise to leave property in a will) generally requires a signed document.

The Main Risk: Proving the Deal.

While verbal contracts are legal, they are difficult to prove if a dispute arises. If memories differ or deny the original terms, you must rely on evidence like text messages, emails, witness testimony, or the subsequent actions of both parties. Business agreements are always safest when confirmed in writing"

Presuming that the foregoing interpretation of Scots law is legally accurate: We propose that our current landlord is in breach of the verbal contract for Life-Assured Tenancy which the previous landlord made with the tenants, and which the previous landlord wished the current landlord to continue when the Estate property was transferred to her in 2022. The key elements of the contract/agreement were evidenced to the Eviction Tribunal. We propose that the current landlord is in breach of contract which they confirmed in writing on 20th October 2021, that the tenants' house and land security and privacy would continue, as the previous landlord had verbally confirmed on 20th October 2021. On 21st August 2022, the current landlord confirmed acceptance of the tenancy continuing, and they would "keep the rent low and not increase at all providing we can finalise all these details amicably". The key elements of the contract/agreement were evidenced to the Eviction Tribunal and the Rent Tribunal. The current landlord has failed to meet their obligation to provide an Assured Life Tenancy Agreement since 2022, or an Assured Tenancy Agreement since February 2026. The tenants have continued to pay monthly rent. The current landlord has affirmed the validity of the verbal contract for life-assured tenancy and affordable rent by continuing to charge and accept rent payments from the tenants from May 2022 (date of transfer of the Estate) to 2026.

We affirm the Assured Life Tenancy Agreement for an affordable house, rent-free land and outbuildings is a legally binding contract of 30 years standing and we insist on performance by the current landlord, as was honourably assured verbally and written by Tribunal.

According to Jones Whyte: "What is a breach of contract in Scotland?

A breach of contract happens when one party fails, without a lawful excuse, to do what they agreed under a legally binding contract governed by Scots law. That failure might mean not performing at all, performing late, or performing to a poor

standard. Contracts in Scotland do not need to be in writing to be enforceable. A written contract, a verbal agreement, or an arrangement that is partly one and partly the other can all be binding, provided the essential elements are present: an offer, acceptance of that offer, and an intention on both sides to create legal relations. One point worth knowing: unlike English law, Scots law does not require consideration, meaning something of value given in exchange, for a contract to be valid. An agreement can still be legally binding even where only one party takes on an obligation, provided there is a genuine intention to be bound. When someone you have an agreement with does not do what they promised, it can cost you money, time and trust. You might be owed payment for work completed. You might be waiting on goods that never arrived. You might be stuck with a contract the other side will not honour. Whatever the situation, understanding your position under Scots law is the first step towards putting it right.

Repudiatory (fundamental) breach.

The other party's conduct deprives you of substantially everything you were entitled to expect under the contract. When this happens, you generally have a choice: treat the contract as at an end and claim damages, or affirm the contract and insist on performance. Continuing to make payments or accept deliveries after a serious breach has become clear can be treated as affirming the contract, which removes your right to terminate later, so early advice matters.

What you need to prove.

To succeed with a breach of contract claim in Scotland, you need to establish three things.

1. A valid contract existed. This means an offer, an acceptance, and an intention on both sides to create legal relations. A written contract is easier to prove than a verbal one, but oral and partly oral agreements are enforceable where the key elements are evidenced. Emails, purchase orders, text messages, and correspondence setting out price and scope all help.

2. The other party failed to perform. A general complaint that "they did not do their job properly" is not enough. You need to point to a specific failure to meet a particular obligation: a completion date missed, a specification not followed, a payment not made.

3. You suffered a quantifiable loss because of that failure. The actual loss suffered must have been reasonably foreseeable at the time the contract was made, and you

are expected to have taken sensible steps to keep your losses down. Invoices, bank statements, and records of any extra cost you incurred all support this.

Keep hold of contracts, correspondence, delivery notes, text messages, and any expert or witness statements as soon as a dispute looks likely. Avoid altering or adding to documents once the dispute has started.

What remedies are available

Scottish courts aim to put you back in the financial position you would have been in if the contract had been performed properly, not to punish the party at fault. Scots law does not award punitive damages for breach of contract.

• Damages, sometimes called compensatory or monetary damages, are the default remedy. These cover your actual financial loss, such as the cost of replacement goods, lost profit on a cancelled order, or the cost of putting defective or substandard work right. Damages for stress or inconvenience are not usually available in ordinary commercial disputes, though limited exceptions exist for contracts specifically about enjoyment, such as a holiday.

• Damages are not the only remedy. Specific performance, known in Scotland as judicial implement, compels the other party to actually carry out their obligations. Courts tend to use this where the subject matter is unique, such as a particular property, and may refuse it if damages would do the job just as well. • Interdict is the Scottish equivalent of an injunction: a court order stopping someone from doing something, such as using confidential information in breach of a contract".

With thanks to the First Tier Tribunal for Scotland for consideration of our complex case. I rest my case.'

5. <u>THE INSPECTION</u>

The Tribunal inspected the Property on the morning of 23rd October 2026. The Tenant was present at the inspection. The Landlord's solicitor Calvin Gordon also attended the inspection. The Landlord was not present at the inspection.

The Tribunal inspected the Property, a sandstone detached farmhouse which is in excess of 150 years old. The Property is situated in a rural location.

The accommodation on the ground floor comprises entrance vestibule, hall, two public rooms, kitchen, utility room, cold store, bathroom and separate shower room. The accommodation on the upper floor comprises toilet, three double bedrooms, one

single bedroom and an office. There was a wooden cabin/ boiler shed outbuilding attached to the Property that included a toilet.

Most of the floors within the Property are wooden. The Tenant had supplied the kitchen appliances.

The roof of the Property is a traditional Scottish slate roof.

The windows in the Property are upvc double glazed units with the exception of the windows in the two ground floor living rooms and the entrance vestibule which are single glazed wooden framed windows.

There is an oil fired central heating system in the Property and there are radiators in most of the rooms. The Tenant had supplied the wood burning stove in the main living room.

The Property is served by a soakaway septic tank and a private water supply.

There is a grassed garden around the Property which is delineated by a stone wall and hedge. There are many trees and shrubs in the garden. There is separate ground beyond the garden that is occupied by the Tenant but which is not included within the extent of the leased subjects.

The Property is accessed by a private access road which has multiple potholes and an uneven surface.

The floor area of the property is approximately 162 square metres.

Although generally in fair condition for its age, character and type it was noted that the property would benefit from a degree of modernisation and routine maintenance.

6. <u>THE HEARING</u>

A hearing was held at Inveralmond Business Centre, Perth following the inspection.

The Tenant, attended the hearing together with her daughter, Willow Thomas, who attended as the Tenant's supporter. The Landlord attended together with her Husband, Will Holt, who attended as the Landlord's supporter. The Landlord's Solicitor, Calvin Gordon, also attended.

The parties and Mr Gordon made oral representations to the Tribunal as follows:

6.1 Both parties explained that there had been a previous hearing in connection with the Landlord's eviction application. Whilst they have still to receive the eviction Tribunal's written decision they understand that the eviction Tribunal did not accept that a valid Short assured tenancy had been created and had proceeded on the basis that the tenancy was an assured tenancy.

6.2 Mr Gordon explained that a Notice to Quit had been served on the Tenant dated 17th June 2024. The Notice to Quit had been served on the Tenant by recorded delivery mail. A copy of the Notice to Quit and the recorded delivery slip showing that the Tenant had signed for the Notice to Quit on 18th June 2024 have been produced.

6.3 Mrs Thomson advised that she understood that she had a lifetime assured tenancy. She accepted that the tenancy was a statutory assured tenancy.

6.4 Mrs Holt advised that her mother had granted the original lease to the Tenant. The rent had been low to help the Tenant's charity get off the ground. However, circumstances have now changed. The costs associated with the Property exceed the rent she receives.

6.5 Mr Gordon and Mrs Holt confirmed that the report by Galbraith surveyors dated 29th January 2026 was a desk top report and the report stated that the market rent of the Property was estimated to be between £1695 and £1895 per calendar month.

6.6 The Tribunal invited the parties to comment on the comparable properties provided by the Tribunal and the comparable properties detailed in the Report prepared by Galbraith dated 29th January 2026.

The parties representations are as follows:

(i)Chapelhill Farmhouse, Alyth.

Mrs Thomson advised that this Property was not as remote as Ceanghline and it would have a better finish. Her Property is very basic.

Mrs Holt advised that the property was a similar size to Ceanghline and it was broadly similar in terms of accommodation details.

(ii)Ardtalnaig, Aberfeldy.

Mrs Thomson advised that this property would be well finished unlike Ceanghline.

Mrs Holt advised that the property was smaller than Ceanghline and it was more modern.

(iii)Bridge of Cally.

Both parties agreed that the property was smaller than Ceanghline.

(iv)4 Bardmony Farm Cottages, Alyth.

Both parties agreed that the property was not particularly comparable to Ceanghline as it had only one storey.

(v) Heathfield

Both parties agreed that the property was not comparable with Ceanghline as it was a modern property and located in a village setting.

(vi) Merlewood

Mrs Holt accepted that this was a grander property than Ceanghline as it had sold for £464,000 in June 2023. She advised that Ceanghline had been valued at £375,000 in 2023.

(vii) The Walled Garden

Both parties agreed that the property was not comparable with Ceanghline as it was a modern property

(viii) Station Road Birnam

Both parties agreed that the property was not comparable with Ceanghline.

(ix) Mill House Netherton

Mrs Holt considered this property to be of a similar age and was situated in a similar location.

Mrs Thomson referred to the fact that this property has fibre broadband unlike Ceanghline.

(x) Tummell Crescent

Both parties agreed that the property was not comparable with Ceanghline.

(xi) Greenwalk

Both parties agreed that the property was not comparable with Ceanghline.

(xii) Forresters Cottage

Mrs Holt considered this property to be comparable with Ceanghline. However, she noted that the property had sold for £450,000 in 2017.

(xiii) Ballinluig

Both parties agreed that the property was not comparable with Ceanghline.

(xiv) Tilt Cottages

Both parties agreed that the property was not comparable with Ceanghline.

(xv) Dalbeatie Lodge

Both parties agreed that the property was not comparable with Ceanghline.

(xvi) Killiecrankie

Both parties agreed that the property was not comparable with Ceanghline.

(xvii) 3 bed detached house, Pitlochry

Mrs Holt considered this property to be quite similar to Ceanghline, but smaller. Mrs Thomson thought this property would have a better finish inside.

(xviii) 3 bed semi detached house Tummell Crescent, Pitlochry.

Both parties agreed that the property was not comparable with Ceanghline.

(xix) Garryside Blair Athol

Both parties agreed that the property was not comparable with Ceanghline.

(xx) Calvine, Pitlochry

Mrs Holt considered this property to be comparable with Ceanghline. Mrs Thomson explained that this property would be well connected to public transport unlike Ceanghline and it would have a better finish inside.

(xxi) Garryside, Blair Athol

Both parties agreed that the property was not comparable with Ceanghline.

(xxii) Lagreach Brae, Pitlochry

Both parties agreed that the property was not comparable with Ceanghline.

6.7 Mrs Thomson explained that Mrs Holt's mother had been a dear friend and she had agreed to lease the Property to her for an affordable rent for life, with succession. Mrs Thomson has carried out a lot of work to the Property over the years to preserve the Property. She is happy with her Property. The properties listed as comparables would be of a better standard than her Property and they will generally have appliances provided by the Landlord. The evidence does not support rent of more than £600 per month.

6.8 Mrs Holt advised that her mother never guaranteed a life time tenancy to Mrs Thomson. The Tenant has been charged rent of £520 per month since August 2008 to help the Tenant's charity get off the ground. The rent has never been raised. The evidence produced shows that the rent of a comparable property will be between £1800 and £2000 per month if the property is in a good condition. She considers the 4 bedroom property in Dunkeld (Forresters Cottage) referred to in Galbraith report (rent £1500 per month), the 3 bedroom property at Ballinluig (£1400 per month) and the 3 bedroom property at Pitlochry (£1250 per month) to be good comparisons.
She has made a deduction to allow for the present condition of the subject Property and considered that the rent requested of £1200 is reasonable.

6.9 Mr Gordon advised:

6.9.1 The Notice to Quit dated 17th June 2024, that has been produced, had been served on the Tenant and therefore the tenancy was a statutory assured tenancy. In

terms of section 25 of the Housing (Scotland) Act 1988 and the Tribunal must determine the market rent of the Property.

6.9.2 Mrs Holt accepts that it is reasonable to class the Property as a four bedroom property with two living rooms and not a five bedroom property as the fifth room is small. Mrs Holt has explained why she considers the requested rent of £1200 per month to be reasonable. The evidence supports the Tribunal determining the rent to be £1200 per month.

6.9.3 In terms of the effective date he acknowledged that the Tribunal have discretion to determine the effective date which should be a date between 29th September 2026, the date indicated on the AT2, and the date the Tribunal determine the rent.

6.9.4 As the tenancy agreement does not contain any rent review clause there is no contractual basis on which the rent can be increased. The only option available to Mrs Holt was to serve Mrs Thomson with an AT2 Notice of an Increase in Rent.

7. THE DECISION

7.1The Tribunal had the following documents before them:-

- A copy of form AT2 advising that the rent would be increased to £1200 from 29th September 2026.
- A copy of form AT4 dated 21st May 2026 completed by the Tenant, requesting a determination of the rent.
- The Report by Galbraith, surveyors dated 29th January 2026 which stated that the market rental value of the property was between £1695 and £1895 per month.

The report referred to the following comparable evidence:

Property Address	Accommodation	Features	Rent
Merelwood, Dunkeld	4 beds	Semi detached	£1900 pcm
The Walled Garden, Dunkeld	3 beds	Terraced (modern)	£1800 pcm
Station Road, Birnam	6 beds	Terraced	£1800 pcm
Mill House, Bridge of Cally	3 bed	Detached, equestrian facility	£1695 pcm
Tummell Cres, Pitlochry	3 bed	Semi detached	£1600 pcm

Greenwalk, Dunkeld	3 bed	Bungalow	£1595 pcm
Forresters Cottage, Dunkeld	4 bed	Detached	£1500 pcm
Ballinluig, Pitlochry	3 bed plus 2 bed flat	Semi detached DG/ SG	£1400 pcm
Tilt Cottage, Bridge of Tilt	3 bed	Cottage	£1300 pcm
Dalbeathie Lodge, Dunkeld	2 bed	Detached House	£1300 pcm
Killiecrankie, Pitlochry	4 bed	Bungalow (modern)	£1300 pcm
Pitlochry	3 bed	Detached	£1250 pcm
Tummel Cres, Pitlochry	3 bed	Semi detached	£1200 pcm
Garryside, Blair Atholl	2 bed	Cottage	£1200 pcm
Calvine, Pitlochry	3 bed	Detached House	£1100 pcm
Garryside, Blair Atholl	2 bed	Cottage	£1095 pcm
Lagreach Brae, Pitlochry	2 bed	Lower Villa	£1000 pcm

- Written representations from the Applicant including details of the earlier eviction application (FTS/HPC/EV/24/5246).
- Written representations from the Landlord's Representative.

The Tribunal considered these documents and the parties' representations.

7.2. <u>JURISDICTION</u>

7.2.1The AT4 stated that it was an application by the Tenant to the Tribunal for a determination under section 24(3) and 34(1) of the Housing (Scotland) Act 1988.

Section 24 applies to increases of rent under statutory assured tenancies.

Section 34 relates to applications to the Tribunal to determine rents of short assured tenancies.

The Tribunal had been provided with a copy of the letter by Finlayson Hughes to Mrs and Mrs Thomson dated 27th June 1996 offering to lease to them the Property Ceanghline Cottage. Paragraph 16 of that letter states that the Tenant acknowledges that the tenancy created is a short assured tenancy. Cameron Thomson had signed the acceptance on 22nd April 1997. The Tribunal had also been provided with a copy of an AT5 dated 28th June 1996 and accepted by Mr and Mrs Thomson on 17th August 1996.

Section 32(2)(b) of the Housing (Scotland) Act 1988 requires the AT5 to be served before the creation of the tenancy.

No evidence has been produced to the Tribunal that the AT5 was served on the Tenants before the creation of the Tenancy. The Tribunal were not satisfied that the Tenancy was a short assured tenancy.

The Tribunal had been provided with a copy of the Notice to Quit dated 17th June 2024 by Thorntons, as solicitors for the Landlord, addressed to Mrs Thomson in relation to the tenancy of Ceanghline Cottage giving Mrs Thomson notice to quit and remove from the Property on or before 29th September 2024, which the Tribunal accepted was an ish date. The Notice had been served by recorded delivery post.

The Tribunal found that the Notice to Quit was valid as it required the Tenant to quit the Property on the ish date and it had given the Tenant the required minimum period of 40 days notice. The Tribunal were satisfied that the Tenancy was a statutory assured tenancy.

7.2.2 In terms of section 24(2) of the Housing (Scotland) Act 1988, the Landlord must serve the Tenant with a correctly completed form AT2, giving at least six months notice of an increase in rent. The Landlords had correctly served the Tenant with a notice of rent increase on form AT2. As stated, the form was dated 20th March 2026 and it advised that the new rent of £ 1200 per month would take effect from 29th September 2026.

7.2.3Consequently, the Tribunal were satisfied that they had jurisdiction to hear the application.

8. Decision.

8.1 The Tribunal acknowledge that Mrs Thomson's written representations dated 5th October 2026 refer to breach of contract by the Landlord. However, Mrs Thomson's application to the Tribunal is an AT2 application requesting the Tribunal to determine the rent of the subject Property under section 24(3) of the Housing (Scotland) Act 1988. It is not an application to determine a breach of contract. This Tribunal cannot determine if the Landlord has breached the contract.

8.2 The Tribunal had obtained details of four similar sized properties available to lease in the area. The parties had been provided with the details of the properties in the Direction from the Tribunal dated 14th September 2026 and the parties had been given the opportunity to make representations to the Tribunal on the comparability of the properties with the subject Property.

8.3 The Landlord's Representative had provided details of eighteen similar properties available to lease in the area. The parties had also been given the opportunity to make representations to the Tribunal on the comparability of those properties with the subject Property.

8.4 The Tribunal considered the parties representations in relation to how comparable those properties are to the Subject Property. The Tribunal determined that the most comparable properties to the Subject Property are:

(i) Chapelhill Farmhose, Alyth (£1500 per month);

The Tribunal acknowledged that Chapelhill Farmhose extended to 189 square meters, which is slightly bigger than the subject Property (162 square meters) but having accommodation of five bedrooms consider that it is broadly comparable in terms of accommodation. However, the Tribunal noted that Chapelhill Farmhouse had a maintained garden, fitted kitchen appliances and carpets to the upper floors. It also had a modern logburner. In addition, on a balance of probabilities the Tribunal find that it would have a better standard of internal decoration and fitments.

(ii)Forresters Cottage, Snaigow Estate (£1500 per month).

The Tribunal acknowledged that Forresters Cottage extended to 148 square meters, which is slightly smaller than the subject Property (162 square meters). It has four bedrooms and is broadly comparable in terms of accommodation. However, the Tribunal noted that it sold for £450,000 in 2017 whereas the subject Property was valued at £375,000 in 2023 and therefore, the Tribunal find that on a balance of probabilities it would have a better standard of internal decoration and fitments.

(iii)The three bedroom detached property in Pitlochry (£1250 per month).

The Tribunal acknowledged that this Property is a detached property with a similar appearance to the subject Property but it is smaller as it only has three bedroom and one living room.

8.5 The Tribunal did not consider the 3 bedroom property at Ballinluig (£1400 per month) to be comparable with the subject Property as the accommodation includes a separate 2 bedroom self contained property.

8.6 The Tribunal noted that the rents of the three comparable properties detailed at paragraph 8.3 of this decision ranged from £1250 to £1500 per month. They were mindful that no internal photographs or detailed specifications of these properties have been provided. However, in general terms they considered that on a balance of probabilities these properties may have been modernised and provided with

appliances and carpets. The Tribunal considered this evidence and determined that the market rent of properties comparable to Ceanghline was £1500 per month (£18000 per annum). However, the Tribunal acknowledged that an adjustment was required to reflect the fact that the Ceanghline had a low standard of finish internally; no floor coverings were supplied by the Landlord; no appliances were provided by the Landlord and the Property has a dated bathroom and kitchen. They considered that a deduction of £4200 per annum was reasonable to reflect these differences.

8.7 The Tribunal also acknowledged that the report by Galbraith surveyors provided by the Landlord dated 29th January 2026 states that the market rental of the subject property is between £1695 and £1895 per month. The Tribunal gave little weight to this evidence as the report was a desk top report and out of the eighteen properties referred to in that report fourteen of the properties were not truly comparable with Ceanghline, as explained above.

8.8 In view of the foregoing, the Tribunal decided that the open market rent for the property was £13,800 per annum (£1150 per month). No services are provided by the Landlord.

In reaching this decision the Tribunal have had regard to all the considerations required to be taken into account in terms of Section 25 of the Housing (Scotland) Act 1988.

8.8The Tribunal decided that the rent of £13800 per annum should take effect from 23rd October 2026, being the date of the Tribunal's determination following the hearing.

9. APPEAL

A landlord, tenant or third party applicant aggrieved by the decision of the tribunal may appeal to the Upper Tribunal for Scotland on a point of law only. Before an appeal can be made to the Upper Tribunal, the party must first seek permission to appeal from the First-tier Tribunal. That party must seek permission to appeal within 30 days of the date the decision was sent to them.

Where such an appeal is made, the effect of the decision and of any order is suspended until the appeal is abandoned or finally determined by the Upper Tribunal, and where the appeal is abandoned or finally determined by upholding the decision, the decision and any order will be treated as having effect from the day on which the appeal is abandoned or so determined.

J TAYLOR

Legal Member 3rd November 2026