



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/KA18/612	28 November 2007	Landlord

ADDRESS OF PREMISES

2 Littlemill Cottage, Rankiston KA6 7HJ

TENANT

Mr H Ferguson

NAME AND ADDRESS OF LANDLORD

Buchanan Heritable Ltd
187a Stonelaw Road
Glasgow
G73 3PD

AGENT

Hacking & Paterson
1 Newton Terrace
Glasgow
G3 7PL

DESCRIPTION OF PREMISES

Semi Detached Cottage circa 1900 with solid fuel central heating, double glazing and gardens to front and rear comprising two public rooms, two bedrooms, kitchen and bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
PROFFFESSIONAL MEMBER
LAYMEMBER

Mrs J Taylor LLB Dip LP NP
Mr G Campbell FRICS
Mr J Riach

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 2380.00 p.a.	7 February 2008	7 February 2008

J Taylor

Chairman of Private Rented Housing Committee

18th February 2008

Date

STATEMENT OF REASONS

in connection with

INSPECTIONS HELD ON 7th February 2008

of the properties

26 Burnside, New Cumnock, KA18 4QL and 2 Littlemill Cottage, Rankinston, KA6 7HJ

1. THE PARTIES

The landlord of the properties is Buchanan Heritable Limited, 187A Stonelaw Road, Glasgow and they are represented by Hacking & Paterson, 1 Newton Terrace, Glasgow, G3 7PL. Mrs E Laird is tenant of 26 Burnside, New Cumnock and Mr H Ferguson is tenant of 2 Littlemill Cottage, Rankinston.

2. BACK GROUND

The dates the tenants commenced their tenancies and the history of the rents of the properties are as follows:-

Property	Commencement date of lease	Original rent	Rent requested by landlords	Rent determined by the Rent Officer
26 Burnside	Not Known	£1415	£2193.25	£1800
2 Littlemill	1967	£1930	£2991.50	£2380

The Landlords referred the determinations to the Private Rented Housing Panel.

3. THE INSPECTIONS

The committee inspected the properties:-

26 Burnside, New Cumnock

The property is a semi detached brick built property with a slate roof, which was originally built for the Coal Board pre war. The accommodation comprises living room, two bedrooms, kitchen and bathroom.

There is no central heating in the property and hot water is provided by the back boiler from the coal fire.

The windows are double glazed and the front and back doors of the property are original wooden doors. The doors were ill fitting and draughty.

The chimneys had been damaged in the recent storms and the tenant was reasonably confident that they would be repaired promptly by the landlords, once the damage had been intimated to them.

There is garden ground at both the front and rear of the properties.

The property is located in a remote rural location in a small community approximately three miles from the nearest shop. There is a bus stop near to the property.

2 Littlemill Cottage

The property is a semi detached red brick cottage with a slate roof, which was also originally built for the Coal Board pre war. The accommodation comprises two public rooms, two bedrooms, kitchen and bathroom. The tenants had replaced the bath and the landlords had replaced the sink and cistern.

The tenant had installed central heating in the property and the landlords had installed double glazing approximately 2 years ago.

There was evidence of dampness in the master bedroom.

There is garden ground at both the front and rear of the properties.

The property is located in a small former mining community and the property had been affected by subsidence. The floors of the property were very obviously off level. The fall from the back to the front of the property easily exceeded one foot resulting in the internal doors self opening/ closing.

There is one shop within Rankinston. Other shops are available approximately three miles from the property. Rankinston is served by public transport.

4. THE HEARING

No hearing was requested for 26 Burnside. The hearing for 2 Littlemill was held in the property immediately following the inspection.

Mr Ferguson, the tenant, and his wife were present at the hearing. Neither the landlords nor their agents attended the hearing.

Mr and Mrs Ferguson advised the committee that they had spent a considerable amount of money making the property comfortable. The landlord had not upgraded the property but had only carried out essential repairs as

they arose. They advised the committee that Rankinston is considered to be in a remote location and therefore there are not many people queuing to rent properties there. They had applied to the landlords to buy the property but had been unable to reach agreement on the price. The landlords had indicated that they would be looking for £40/45,000. They explained that the property was not suitable for mortgage purposes due to the subsidence.

5. WRITTEN DOCUMENTS SUBMITTED BY THE PARTIES

The committee had the following documents before them:-

- The form RR1, completed by the landlord.
- Letters from Hacking and Paterson to the Rent Registration Service dated 22nd November 2007 and 6th December 2007 explaining that 'the amounts registered do not take into account recent changes in the rental market, particularly with respect to scarcity. Consequently they wish to object to the decisions and refer the matter to the Rent Assessment Committee.' and 'Our appeal is being made on the basis that scarcity should not be taken into account for these properties.'

6. THE DECISION

The committee considered the submissions mentioned and the documents submitted.

The committee were mindful of the terms of section 48(1) of The Rent (Scotland) Act 1984, which requires the committee 'to have regard to all of 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 dwelling house in question and to its state of repair and, if any furniture is provided for use under the tenancy, and to the quantity, quality and condition of the furniture'. Also section 48(2) which requires them to 'assume that the number of persons seeking to become tenants of similar dwelling- houses in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling- houses which are available to let on such terms.'

The committee carefully considered the most appropriate method of determining the fair rent of the property. The committee were also mindful of the observations of the Lord President in **Western Heritable Investment Co Ltd v Hunter (2004)** which requires the committee to proceed on the best available evidence and use the other evidence as a cross check where possible.

The committee had been unable to find evidence of other regulated or market rents in either the New Cumnock or Rankinston area. Due to the absence of evidence of regulated and market rents they considered the capital valuations of the properties.

They reasonably considered the capital value of 26 Burnside to be approximately £32,000, due to the remote location and poor condition of the property and the capital value of 2 Littlemill to be £45,000, as the property has been affected by subsidence, as stated.

The committee considered the landlords' agents submissions that scarcity should not be taken into account when assessing the rents of 26 Burnside, New Cumnock and 2 Littlemill, Rankinston. The committee acknowledged that there is no scarcity of supply of leased property in the Glasgow area. However they considered that there is some scarcity of supply of leased properties in the South Ayrshire area, which they reasonably assessed at 20%. In addition, they considered that it is appropriate to apply a return of 5% to the capital valuation and an allowance for repairs, insurance premiums and factors charges of £500 per annum.

The committee, after considering the whole facts and applying their knowledge and experience decided that the fair rent for 26 Burnside, New Cumnock is £1800 per annum and for 2 Littlemill, Rankinston is £2380 per annum.

In reaching this decision the committee have had regard to all the considerations required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.

This decision takes effect from the Seventh day of February Two thousand and eight.

..... **J Taylor**

Chairperson, 18th February 2008