



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH22/654	15 September 2008	Tenant

ADDRESS OF PREMISES

1 Lingerwood Road, Newtongrange, Dalkeith, EH22 4PT

TENANT

Mr A Reilly

NAME AND ADDRESS OF LANDLORD	AGENT
Castle Rock Edinvar Housing Association 1 Hay Avenue Edinburgh EH16 4RW	N/A

DESCRIPTION OF PREMISES

Early twentieth century end terrace single storey house with gas central heating comprising three rooms, kitchen and bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mr R Handley LLB
SURVEYOR	Mr D Marshall FRICS
LAYMEMBER	Mr M Innes

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 5700.00 p.a.	10 November 2008	14 September 2008

R Handley

Chairman of Private Rented Housing Committee

27 November 2008

Date

PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 10 NOVEMBER 2008

**PROPERTY: 1 LINGERWOOD ROAD, NEWTONGRANGE,
DALKEITH, EH42 4TP**

STATEMENT OF REASONS

INTRODUCTION

This is a reference to the Rent Assessment Committee for the determination of a fair rent under the Rent (Scotland) Act 1984 by the tenant, Mr A Reilly in relation to property at 1 Lingerwood Road, Newtongrange, Dalkeith ("the dwellinghouse"). The landlords are Castle Rock, Edinvar Housing Association, 1 Hay Avenue, Edinburgh, EH16 4RW. The original rent paid by the tenant was £2,825.00 per annum. The landlords applied for a rent of £3,556.80 per annum. The Rent Officer determined a rent of £3,200.00 per annum.

The tenant's wife (Mrs Reilly) was present at the inspection but the landlords were not.

Both the landlords and the tenant had previously intimated that they did not wish to attend a Hearing.

THE DOCUMENTATION

The Committee had the following documents before it: the RR1 Application, the landlord's representations, the tenant's representations and Rent Register pages.

THE INSPECTION

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

Mrs Reilly confirmed the tenant provided all furniture in the dwellinghouse. She drew the Committee's attention to an area of green moss/mould on the roof at the front of the dwellinghouse. Mrs Reilly advised that the back door (leading from the kitchen to the rear garden area) was ill fitting (particularly in warm weather).

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is located at 1 Lingerwood Road, Newtongrange and is an end terraced cottage built in the early 1900's. The walls are brick and the roof is slated. The

dwellinghouse is located near shops, a leisure centre, a library, a church, a swimming pool and licensed premises. Bus stops are located nearby and there is a regular bus service to and from Edinburgh. The Committee noted that the roof, drain pipes and guttering were in a reasonable state of repair.

The dwellinghouse has a front and back door and a garden area to the front and rear. The dwellinghouse has single glazing in all rooms. The dwellinghouse has gas central heating which was installed by the landlords. Although the moss/mould on the roof (referred to by Mrs Reilly) is somewhat unsightly, the Committee found no evidence to suggest that this had a detrimental effect on the dwellinghouse.

The dwellinghouse comprises a living room, two double bedrooms, a kitchen and a bathroom.

The front door opens to a hallway, off which are the two bedrooms, the living room, bathroom and kitchen.

The living room has a window which overlooks the rear garden area.

The kitchen contains units, a sink, cooker, washing machine and fridge/freezer. The domestic appliances are provided by the tenant. A door from the kitchen leads to the back garden.

Both bedrooms have windows which overlook the front of the property.

The bathroom has a WC, wash hand basin and bath (with electric shower). Mrs Reilly advised that the tenant had replaced the WC, wash hand basin and bath. The tenant had also fitted the electric shower.

The electrical system throughout the dwellinghouse is adequate. The dwellinghouse is generally in a reasonable state of repair and decoration. Mrs Reilly told the Committee that the landlords had agreed to erect a fence at the rear of the dwellinghouse (although this had not been done). She explained that this was needed to discourage/prevent members of the public from disposing of litter into the rear garden area. She also advised the Committee that the tenant had recently reported a blockage in the kitchen sink but, at the time of the inspection, no action had been taken by the landlords to remedy this problem.

No services are provided by the landlords.

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 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:

- 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.

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 had details of two recently Registered Rent decisions. The first of these related to a two bedroomed terraced cottage at 28 Dean Park, Newtongrange. This was a modernised property. The other Registered Rent decision related to property at 9 Seventh Street, Newtongrange. This was a three roomed semi detached property which had also been modernised and consequently the Committee considered that it was of limited value as a comparable. In any event the Committee had no way of knowing or ascertaining the key assumptions used in determining how the Registered Rents had been arrived at. The Committee concluded that the direct interpolation from such Registered Rents would not provide the best way of determining 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).

Neither party provided the Committee with specific information or evidence about rents

(either in the open market or under registered rents terms) which could be used by the Committee as comparables. However the Committee had details of a number of properties available for rent in Newtongrange. The first of these was a two bedroomed flat at 22 Lingerwood Road. This unfurnished two bedroomed property was available to let at a rent of £500 per month. It appeared to the Committee that this property was similar to the dwellinghouse and in close proximity to it. The Committee also had details of a property at 12 Lingerwood Walk. This unfurnished property was available to let for £550 per month. A modern flat (also unfurnished and in a block of four flats) was available to rent for £485 per month. All these properties were in the same area of Newtongrange as the dwellinghouse. Details of a partly furnished three roomed property at 94 Fifth Street, Newtongrange were also available to the Committee and it was noted that this property was available for a monthly rental of £595. A one bedroomed property in Fourth Street, Newtongrange was available at £450 per month and a two bedroomed property in Sixth Street available at £575 per month.

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 two bedroom end terraced cottage in Newtongrange would be available to rent for around £500 ("the market rent").

The Committee was of the view that there was no scarcity in relation to properties similar to the dwellinghouse in its locality. This was confirmed by the numbers of properties available to let in publications such as the ESPC Newsletter and in local Estate Agents.

However the Committee considered that a deduction should be made to take account the limited availability of designated parking and the general position of the dwellinghouse (including the close proximity of a public path situated immediately to the side of the dwellinghouse).

Thus:

Market rent (per month)	£ 500
Less allowance	<u>£25</u>
	<u>£25</u>
	<u>£475</u>

Taking into account all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent for the dwellinghouse would be £5,700.00 per year.

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

..... 27 November 2008 Date