

**PRIVATE RENTED HOUSING PANEL****RENT (SCOTLAND) ACT 1984****Notification Of Decision By The Private Rented Housing Committee**

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH6/722	21 December 2009	L

ADDRESS OF PREMISES

3F2, 10 Lorne Street, Edinburgh, EH6 8QU

TENANT

Mr M McQuade

NAME AND ADDRESS OF LANDLORD

Miss A H Hunter's Trust

AGENT

per James Gibb
4 Atholl Place
Edinburgh
EH3 8HT

DESCRIPTION OF PREMISES

The subjects form a third floor flat in a traditional four storey tenement block in a mixed, residential area of the city. The subjects comprise a living room, a kitchen/diner, two bedrooms and a bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS**CHAIRMAN****SURVEYOR****HOUSING PANEL MEMBER**

R Handley LLB

S Hesp MRICS

J Blackwood

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£5,100.00 p.a.	22 February 2010	22 February 2010

R Handley

Chairman of Private Rented Housing Committee

6 March 2010
Date

PRIVATE RENTED HOUSING COMMITTEE

STATEMENT OF REASONS

PROPERTY:

3F2, 10 LORNE STREET, EDINBURGH EH6 8QU



PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 26 FEBRUARY 2010

PROPERTY: 3F2, 10 LORNE STREET, EDINBURGH EH6 8QU

STATEMENT OF REASONS

INTRODUCTION

This is a reference to the Private Rented Housing Panel for the determination of a fair rent under the Rent (Scotland) Act 1984 ("the Act") by the landlords, Miss A Hunter's Trust, in relation to the property at 3F2, 10 Lorne Street, Edinburgh ("the dwellinghouse"). The tenant is Mr M McQuade. The original rent paid by the tenant was £3,450.00 per annum. The proposed rent was £4,200.00 per annum. The Rent Officer determined a rent of £4,000.00 per annum.

The tenant was not present at the inspection but a relative allowed the Committee access to the dwellinghouse. The landlords were not represented at the inspection. Neither party had requested a Hearing and consequently no Hearing was heard.

THE DOCUMENTATION

The Committee had the following documents before it: the Rent Register documents and a Statement of Reasons of 3 July 2008 from a PRHP Committee relating to residential property at 3F2, 12 Lorne Street, Edinburgh.

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse forms a third floor flat in a traditional four storey tenement block in a mixed, residential area of the city. Schools, shops and bars are close by and the area is well served by public transport. The accommodation comprises a living room, a kitchen/diner, two bedrooms and a bathroom. There is no central heating and the gas fire in the living room has been provided by the tenant as have electric fires to heat the bedrooms. The bathroom has an electric shower, bath, wash hand basin and WC. The units in the kitchen have been provided by the tenant as have the worktops and white goods. Hot water is provided by an immersion heater (supplied by the landlords).

The floor space within the dwelling house measures about 73 square metres.

The tenant has the use of a well maintained communal garden area to the rear of

the dwellinghouse.

The Committee noted that the landlords do not provide furniture or services.

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 dwelling house, 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 dwelling house 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 dwelling houses 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 dwelling houses in the locality which are available for letting on such terms.

In terms of section 48 of the Act, 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.

As indicated, the Committee had before it details of a property at 3F2, 12 Lorne Street, Edinburgh. On 16 June 2008 a PRHP Committee had determined that a fair rent for this property was £3,200.00 per year. However it was noted that this property was in a generally unimproved condition and that it was affected by "extensive and persistent water penetration". This water penetration affected the living room, bedroom and kitchen. In determining the fair rent for 3F2, 10 Lorne

Street, the Committee had taken account of these factors. In these circumstances we concluded that the property at 3F2, 12 Lorne Street was of limited value in determining a fair rent for the dwellinghouse.

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 therefore considered that it was appropriate to compare open market rents and thereafter determine if it was necessary to make a deduction for scarcity before deciding if it was appropriate to make any other deductions.

Neither the tenant nor the landlords had provided details of any comparable properties. The Committee had details of a number of one bedroom flats to let within an area similar to the area the dwelling house is located. The first of these was a one bedroom flat at Restalrig Road available for rent at £475 per month. The second was a one bedroom property to let at Waverley Park, Abbeyhill, Edinburgh also available to let at £475 per month - this property had gas central heating. Finally the Committee had details of two one bedroom flats to let in Leith Walk and In Dalmeny Street – both available to rent at £450 per month.

Having taken account of these properties (which were all one bedroomed properties) and from its own experience, knowledge and the information available on the internet and in local estate agents, the Committee was of the opinion that a two bedroom flat in a location similar to the area in which the dwellinghouse was located would be available to rent for around £550 per month ("the market rent").

There was no scarcity in relation to the properties similar to the dwelling house's locality. The Committee found that there was no scarcity of properties to let which were similar to the dwellinghouse. This was confirmed by the number of properties available to let in publications and in local estate agencies. Consequently the Committee made no deduction from the market rent for scarcity.

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

Thus:

Market rent (per month)		£550
Less allowance*	<u>£125</u>	<u>£425</u>

* The Committee recognised that the kitchen and the bathroom in the dwelling house would benefit from upgrading. The Committee therefore considered it

appropriate to make deduction to take account of this. The Committee noted that the dwelling house did not have the benefit of gas central heating or double glazing. Moreover no white goods were provided by the landlord. In all these circumstances the Committee concluded that a fair rent for the dwellinghouse would be £5,100.00 per year.

The Committee were mindful of the fact that the fair rent was considerably higher than the rent presently paid by the tenant. Moreover it is higher than the rent sought by the landlords. The landlords are reminded that whilst they cannot charge a rent higher than the fair rent, they are entitled to charge a lower rent than that determined by the Committee. The Committee also reminded the landlord of the provisions of section 33 of the Act.

..... **R Handley** Chairman
..... 5 May 2010 Date