



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

**Notification Of Decision By The Private Rented Housing Committee**

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<b>REFERENCE NO:</b>	<b>OBJECTION RECEIVED</b>	<b>OBJECTION</b>
RAC/EH6/736	4 March 2010	Landlord

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**ADDRESS OF PREMISES**

PF2, 22 Lorne Street, Edinburgh, EH6 8QP

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**TENANT**

Mrs MacCusker

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**NAME AND ADDRESS OF LANDLORD**

Miss A H Hunter's Trust

**AGENT**

James Gibb  
Property Management  
4 Atholl Place  
Edinburgh  
EH3 8HT

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**DESCRIPTION OF PREMISES**

Ground floor flat in traditional 4 storey tenement, 3 rooms, kitchen/diner, bathroom and WC

Gross internal floor area = 79 square metres

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**SERVICES PROVIDED**

None

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**COMMITTEE MEMBERS**

**CHAIRMAN**  
**SURVEYOR**  
**HOUSING PANEL MEMBER**

Mr R Handley LLB  
Mr D Marshall FRICS  
Mr J Blackwood

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<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£6000 p.a.	13 May 2010	13 May 2010

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**R Handley**

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**Chairman of Private Rented Housing Committee**

25 May 2010  
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Date



**PRIVATE RENTED HOUSING COMMITTEE**

**STATEMENT OF REASONS**

**PROPERTY:**

**PF2, 22 LORNE STREET, EDINBURGH EH6 8QP**



## PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 13 MAY 2010

PROPERTY: PF2, 22 LORNE STREET, EDINBURGH EH6 8QP

### 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 PF2, 22 Lorne Street, Edinburgh, EH6 8QP ("the dwellinghouse"). The tenant is Mrs M MacCusker. The original rent paid by the tenant was £3,450 per annum. The proposed rent was £5,400 per annum. The Rent Officer determined a rent of £4,200 per annum.

The tenant was present at the inspection but the landlords were not represented. Neither party had requested a Hearing and consequently no Hearing was held.

#### THE DOCUMENTATION

We had before us the Rent Register documents and representations from the landlords and the tenant. The Committee also had Statements of Reasons from PRHP Committees which related to properties at 2F3, 2 Lorne Place, Edinburgh and at 3F2, 10 Lorne Place, Edinburgh. Both Statements of Reasons were dated 6 March 2010.

#### DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse forms a ground floor flat in a traditional four storey tenement block built in 1874. The dwellinghouse is located in a mixed, residential area of the city. The accommodation comprises a living room, a kitchen/diner, two bedrooms, a bathroom and a separate WC. The dwellinghouse is centrally heated (installed by the landlord) and hot water is supplied by a "combi boiler". The tenant also provides the furniture. The tenant has installed the kitchen units. The WC and bathroom have extractor fans which appeared to be functioning. The bathroom has a bath (with shower) and wash hand basin. The tenant has the use of a communal garden area to the rear of the dwellinghouse. The dwellinghouse does not have double glazing. The floor space within the dwelling house measures 79 square metres.

## **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.

No evidence was produced in relation to capital values and we decided it was therefore inappropriate to proceed on the basis of capital value.

As indicated, we had before us a Statement of Reasons which related to a nearby flat at 3F2, 10 Lorne Street, Edinburgh. The Committee in that case determined that the market rent for that flat would be £550 per month. However in that case the Committee noted that the kitchen and bathroom would benefit from upgrading and that the flat did not have gas central heating or double glazing. It was also noted that no white goods were provided by the landlord. In taking account of these matters the Committee made a deduction from the

market rent and determined that the fair rent for the flat at 3F2, 10 Lorne Place, Edinburgh was £425 per month. We also had before us a Statement of Reasons which related to a flat at 2F3, 2 Lorne Street, Edinburgh. The Committee in that case determined that the market rent for that flat would be £450 per month but again made deductions, this time of £100 per month to reflect the general condition of the flat, the fact that it did not have central heating or double glazing and because the landlord did not supply white goods. We noted that the flat at 3F2, 10 Lorne Street had a floor area of about 73 square metres whilst the flat at 2F3 Lorne Place was considerably smaller – about 45 square metres.

Neither party provided details of any comparable properties but we considered that it was appropriate to compare open market rents and thereafter determine if it were necessary to make a deduction for scarcity and if it was appropriate to make any other deductions.

Neither the tenant nor the landlord provided details of any comparable properties but we considered that it was appropriate to compare open market rents and thereafter consider if it were necessary to make a deduction for scarcity and, if it were appropriate, to make any other deductions. We had details of a two bed roomed flat in nearby Easter Road which was available to rent at £575 per month. However this was a newly built, fully furnished property which had two double bedrooms with built in wardrobes, double glazing and electric heating. It also had private parking. We also had details of a second floor flat in Lorne Street which was available to rent for £500 per month. However this property was significantly smaller than the dwellinghouse.

We noted that the dwellinghouse was spacious and well laid out and would appeal to a wide range of tenants. From the evidence before us and from our own experience, knowledge and the information available on the internet and in local estate agents, we were of the opinion that a two bedroom flat in a location similar to the area in which the dwelling house was located would be available to rent for around £525 per month (“the market rent”).

There was no scarcity in relation to properties which were similar to the dwellinghouse and in a similar locality. This was confirmed by the number of properties available to let in publications, on the internet and in local estate agencies. Consequently we determined that it was not appropriate to make any deductions from the market rent for scarcity

However we did consider that a deduction should be made to take account of a number of factors.

Thus:

Market rent (per month)		£525
Less allowance*	£25	
		<u>£500</u>

\* The Committee noted that the kitchen would benefit from upgrading. We noted that the dwellinghouse did not have the benefit of double glazing. The Committee therefore considered it appropriate to make a deduction to take account of these factors. We determined that a fair rent for the dwellinghouse would be £500 per month (£6,000 per year).

We are mindful that the fair rent is considerably higher than the rent presently paid by the tenant. Moreover it is higher than the rent sought by the landlord. We are also mindful that the increase may well cause the tenant financial hardship. The landlords are reminded that whilst they cannot fix a rent higher than the fair rent, they are entitled to fix a rent which is lower than the rent determined by the Committee. The Committee also reminded the landlord of the provisions of section 33 of the Act.

**R Handley**

..... Chairman

25 MAY 2010

..... Date