

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

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH11/791	4 February 2011	Landlord

**ADDRESS OF PREMISES**

3F2, 4 Ritchie Place, Edinburgh, EH11 1DU,

**TENANT**

Mr Jack

**NAME AND ADDRESS OF LANDLORD**

Mr R Cleghorn

**AGENT**

James Gibb Property Management  
4 Atholl Place  
Edinburgh

**DESCRIPTION OF PREMISES**

Third floor traditional tenement flat circa 1900 comprising two rooms, kitchen, bathroom and w.c.

The gross internal floor area = 39 square metres.

**SERVICES PROVIDED**

None

**COMMITTEE MEMBERS**

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

Mr R Handley LLB  
Mr D Marshall FRICS  
Mrs I Kitson

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£3500.00 p.a.	31 March 2011	31 March 2011

**R Handley**

Chairman of Private Rented Housing Committee

15/4/2011

Date



## **The Private Rented Housing Committee**

### **Statement of Reasons in respect of an application under the Rent (Scotland) Act 1984**

**PRHP Ref: RAC/EH11/791**

**Re: The residential dwellinghouse at  
3F2, 4 Ritchie Place  
Edinburgh  
EH11 1DU**

**("the property")**

**The Parties:**

**Mr David Jack  
resident at the property**

**("the tenant")**

**and**

**Mr Robert Cleghorn  
c/o James Gibb  
Property Management Ltd  
4 Atholl Place  
Edinburgh  
EH3 8HT**

**("the landlord")**

#### **Background**

1. This is a reference to the Private Rented Housing Panel ("the PRHP") for the determination of a fair rent under the Rent (Scotland) Act 1984 by the landlord in relation to the property. The original rent paid by the tenant was £2,900 per annum. The landlord applied for a rent of £4,500 per annum. The Rent Officer determined a rent of £3,480 per annum. The reference arises from the dissatisfaction expressed by the landlord.

2. The landlord and the tenant both intimated that they did not wish to attend a Hearing.

### **The Documentation**

3. The Committee had a number of documents before it including the Rent Register documents and representations from the tenant.

### **The Inspection**

4. The inspection took place on 31 March 2011. The tenant, his wife and son were present at the inspection but the landlord was not.
5. The Chairman introduced the Committee to the tenant, his wife and son.

### **Description of the property**

6. The property is located to the south west of Edinburgh city centre and local shops are nearby. The area is well served by public transport. The property is a top floor flat in a traditional tenement block located at 4 Ritchie Place, Edinburgh and was built around 1900. The walls are stone and the roof is slated. The property measures approximately 39 square metres. It appeared to the Committee that the tenement building was in a fair condition. The Committee were unable to view the roof of the property. The property is served by a secure door entry system which appeared to be working properly. The property comprises a small lounge, a kitchen, a double bedroom, a WC and a bathroom. The tenant has access to a communal garden area to the rear of the property.
7. The kitchen is located in what appeared to be a recess off the living room and has no window. The kitchen units have been provided by the landlord. The fridge and cooker have been provided by the tenant. The small living room has a window overlooking the front of the property. The electric fire in the living room has been provided by the landlord. The bedroom has a single window overlooking the front of the property. A heater has been provided by the tenant. A bathroom is also located off the hall. The bathroom has no window. A separate WC with a wash hand basin is located off the hall.
8. The windows in the property are single glazed and the window in the bedroom requires to be repaired. The property does not have central heating. The Committee noted that the property was in a poor decorative order and in need of modernisation.
9. No services are provided by the landlord.

## **Decisions and Reasons**

10. 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, 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.

11. 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.

12. In Scotland there are three accepted methods of determining a fair rent. These are:

- (a) determining a fair rent by having regard to registered rents of comparables houses in the area;
- (b) taking market rents and then discounting for any scarcity element and making any appropriate disregards as required by section 48(3);
- (c) calculating the appropriate return based on capital value of the property, taking into account the element of scarcity.

13. None of these methods is regarded as the primary method.

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

15. 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.

16. The Committee were aware of a number of other dwellinghouses in the same locality as the property available to rent. We had details of a flat at 8

Ritchie Place, Edinburgh. This property was available to let at £450 per calendar month. However it appeared that this property was furnished and in good decorative order. It benefited from central heating and had modern kitchen units. The shower room had wall and floor tiles. As a consequence of these factors it appeared to the Committee that this flat would be one which would be more attractive to prospective tenants than the property.

17. We had details of another one bedroomed flat in Ritchie Place, Edinburgh which is described as a fully furnished 2nd floor flat with newly installed kitchen, separate large lounge, double bedroom with walk in cupboard and shower room. This flat has gas central heating and is available to rent for £485 per month.
18. We also had details of a "studio flat" at Watson Crescent, Edinburgh. The accommodation comprised an open plan kitchen/living/bedroom, separate shower room and had electric central heating. This flat was available to let at a monthly rent of £325. However, given that it appeared that the accommodation was "open plan", the Committee considered that it would have a somewhat limited appeal to prospective tenants.
19. The Committee had details of a flat at Downfield Place, Edinburgh. This flat was available at a rent of £425 per month. This flat comprised a lounge, new modern fitted kitchen (including white goods), bedroom and new tiled bathroom with shower. The flat had been completely renovated with a new kitchen, carpets and bathroom fittings. It had modern furnishings and Economy 7 heating. In view of the modern condition of this flat, it was clear to the Committee that this flat would achieve a higher rent than the rent which could be achieved for the property.
20. Finally we had details of a one bedroomed flat in Wardlaw Terrace also available at £425 per month. This flat appeared to be spacious and had the benefit of built in wardrobes and had a bathroom with a shower. It was double glazed and white goods were included.
21. Having taken account of the flats previously referred to and 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 a fully furnished, modernised one bedroomed flat in the same locality as the property would be available for a monthly rent of around £425 ("the market rent"). This equates to an annual rent of £5,100.
22. 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 number of properties available to let in the locality and publications such as the ESPC Newsletter.
23. However the Committee considered that a number of deductions should be made to take account of various factors.

Thus:

Market rent (per year)		£ 5,100
Less allowance - furniture*	£250	
Less allowance - central heating**	£300	
Less allowance - windows***	£150	
Less allowance - kitchen****	£300	
Less allowance - floor coverings*****	£200	
Less allowance - decoration*****	£400	£1,600
		<u>£3,500</u>

\* The Committee recognised that some prospective tenants would consider a property with furniture (regardless of condition) more desirable than an unfurnished property. Consequently the Committee considered it appropriate to take account of this factor.

\*\* The Committee considered that prospective tenants would find a flat which had central heating to be more desirable than one which did not have central heating.

\*\*\* The Committee noted that the property did not benefit from double glazing and that the window in the bedroom required repairs. Consequently the Committee considered that it was appropriate to make a deduction to take account of this.

\*\*\*\* The kitchen in the property was small, did not have a window and was in need of modernisation. A further deduction was made to take account of these factors.

\*\*\*\*\* The Committee noted the property had not been decorated for a significant period of time. The Committee also noted that the tenant provided all floor coverings. It was clear that a flat in good decorative order with modern floor coverings would be more appealing to prospective tenants.

24. Taking into account all the circumstances which the Committee is required to take account of, the Committee concluded that a fair rent for the property would be £3,500 per year.

25. This decision takes effect from 31 March 2011.

R Handley

..... Chairman

15/4/2011  
..... Date