



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH11/792	4 February 2011	Landlord

ADDRESS OF PREMISES

2F4, 124 Gorgie Road, Edinburgh, EH11 2NR,

TENANT

Mrs C Rankine

NAME AND ADDRESS OF LANDLORD

Auchinleck Building Co.

AGENT

James Gibb Property Management
4 Atholl Place
Edinburgh

DESCRIPTION OF PREMISES

Second floor traditional tenement flat built in 1886 comprising two rooms, kitchen, bathroom and w.c.

The gross internal floor area = 46 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/EH11/792

**Re: The residential dwellinghouse at
2F4, 124 Gorgie Road,
Edinburgh
EH11 2NR**

("the property")

The Parties:-

**Mrs C Rankine
resident at the property**

("the tenant")

and

**Auchinleck Building Co
c/o James Gibb
Property Management Ltd
4 Atholl Place
Edinburgh
EH3 8HT**

("the landlords")

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 landlords in relation to the property. The original rent paid by the tenant was £2,750 per annum. The landlords applied for a rent of £4,500 per annum. The Rent Officer determined a rent of £3,300 per annum. The reference arises from the dissatisfaction expressed by the landlords.
2. Both the landlords and the tenant 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 and her son were present at the inspection but the landlords were not.
5. The Chairman introduced the Committee to the tenant and her son.

Description of the property

6. The property is located on a busy main road and is near shops, schools and public houses with good public transport links to the city centre. The property is located in a traditional tenement block and was built in 1886. The walls are stone and the roof is slated. The property measures approximately 46 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 off the living room and has no window. The wall units have been provided by the landlords and the cooker has been provided by the tenant. The small living room has a window overlooking the front of the property. The gas fire in the living room has been provided by the tenant. The bedroom has a single window overlooking the front of the property. A bathroom is also located off the hall and has a WC with a wash hand basin.
8. The windows in the property are single glazed. The property does not have central heating. The Committee noted that the property was in a poor decorative order and in need of modernisation. The tenant has the use of a communal garden to the rear of the building. However it was clear that this area of ground was neglected and would be of little value to prospective tenants.
9. No services are provided by the landlords.

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. From its own knowledge the Committee were aware of a number of other dwellinghouses in the same locality as the property. We had details of a flat at Stewart Terrace, Gorgie, Edinburgh which comprised a double bedroom, shower room, lounge with gas fire and a kitchen with a gas cooker. The flat also has a utility room and is double glazed. This flat appeared to be in good decorative order. This property was available to let at £395 per calendar month.

17. We also had details of a flat Downfield Place, Gorgie, Edinburgh. The flat is described as a traditional 1 bedroom third floor flat, offered on a furnished basis. Internally the flat comprised a "spacious" lounge, modern fitted kitchen, bedroom and new tiled bathroom with shower. The property had carpets, modern furnishings and communal gardens. This property was available to let at a monthly rent of £425.
18. 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 one bedroomed flat in the same locality as the property would be available for a monthly rent of around £400 ("the market rent"). This equates to an annual rent of £4,800.
19. 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 the locality and publications such as the ESPC Newsletter.
20. However the Committee considered that a number of deductions should be made to take account of various factors.

Thus:

Market rent (per year)		£ 4,800
Less allowance - furniture*	£250	
Less allowance - central heating**	£300	
Less allowance - windows***	£150	
Less allowance - kitchen****	£300	
Less allowance - decoration*****	£300	£1,300
		<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. 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 some time. It was clear that a flat in good decorative order would be more appealing to prospective tenants.

21. 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.

22. This decision takes effect from 31 March 2011.

R Handley

..... Chairman

15/4/2011
..... Date