

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

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH6/827	26 October 2011	Landlord

ADDRESS OF PREMISES

2F1, 6 Lorne Street, Edinburgh, EH6 8QU,

TENANT

Mr R Inglis

NAME AND ADDRESS OF LANDLORD

Miss A H Hunter's Trust

AGENT

James Gibb
4 Atholl Place
Edinburgh
EH3 8HT

DESCRIPTION OF PREMISES

A a second floor flat in a traditional tenement block built around 1880. The accommodation comprises a living room (with a small boxroom off the living room), a kitchen (with a small recess area off the kitchen), two bedrooms, a shower room and a separate w.c.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

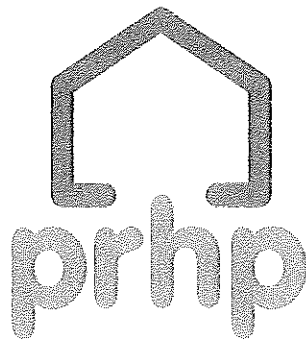
R Handley LLB
D Marshall FRICS
C Anderson

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£5,575.00 p.a.	18 January 2012	18 January 2012

R Handley

Chairman of Private Rented Housing Committee

25 JANUARY 2012
Date

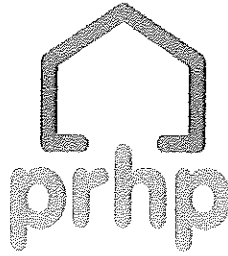


PRIVATE RENTED HOUSING COMMITTEE

STATEMENT OF REASONS

PROPERTY:

2F1, 6 LORNE STREET, EDINBURGH EH6 8QU



PRIVATE RENTED HOUSING COMMITTEE

HELD ON: 18 JANUARY 2012

PROPERTY: 2F1, 6 LORNE STREET, EDINBURGH EH6 8QU

STATEMENT OF REASONS

Introduction

1. The Committee comprised Mr Ron Handley, Chairman, Mr D Marshall, Surveyor and Mrs C Anderson, Housing Member.
2. 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 2F1, 6 Lorne Street, Edinburgh, EH6 8QU ("the dwelling house"). The tenant is Mr Robert Inglis. The original rent paid by the tenant was £4,099.92 per annum. The proposed rent was £6,000.00 per annum. The Rent Officer determined a rent of £5,160.00 per annum.

The Documentation

3. The Committee had available the Rent Register documents and a copy of a Statement of Reasons dated 16 August 2011 from a PRHP Committee which related to property at 3F2, 12 Lorne Street, Edinburgh.

The Inspection

4. The tenant was present at the inspection but the landlords were not represented. Neither party had requested a Hearing and no Hearing was held.
5. The dwelling house forms a second floor flat in a traditional tenement block built around 1880. The dwellinghouse is located in a mixed residential area of the city. Schools, shops, bars and restaurants are

located in the area. There are good public transport links to the city centre and beyond. The accommodation comprises a living room (with a small boxroom off the living room), a kitchen (with a small recess area off the kitchen), two bedrooms, a shower room and a separate WC (with wash hand basin). The shower room and the WC do not have windows. The dwelling house does not have central heating. The tenant has provided the kitchen units, the fridge and the washing machine. The landlords have provided a cooker which is dated. The tenant has provided all furniture and floor coverings. The dwellinghouse has single glazing throughout. It was clear to the Committee that the tenant had carried out a number of improvements in the dwelling house including redecoration and the installation of fireplaces.

6. The tenant has access to a well kept garden area to the rear of the dwelling house.
7. The internal floor area in the dwelling house measures approximately 99 square metres.

The Decision and Reasons

8. 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.
9. 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.
10. 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 comparable 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.
11. None of these methods is regarded as the primary method.
 12. No evidence was produced in relation to capital values and we decided it was therefore inappropriate to proceed on the basis of capital value.
 13. We had no information from the landlords or the tenant regarding rents of comparable properties located near to the dwelling house. Consequently we concluded that it was appropriate to compare open market rents and thereafter consider if it were necessary to make a deduction for scarcity and, if appropriate, to make any further deductions.
 14. As indicated, we had before us a Statement of Reasons which related to a nearby one bedroom flat at 3F2, 12 Lorne Street, Edinburgh. The Committee in that case determined that the market rent for that flat would be £500.00 per month. However that Committee considered that deductions should be made to take account of a number of factors recognising that some prospective tenants would consider a property with modern white goods and a modern kitchen and bathroom more desirable than one in a similar condition to that flat. Moreover that Committee recognised that a flat with double glazing, floor coverings and gas central heating would increase the marketability of the flat. It was also noted that there was some evidence of dampness in the bedroom of 3F2, 12 Lorne Street. In these circumstances it was considered appropriate to make deductions of £200.00 to take account of these factors.
 15. The Committee was aware of a two bedroom property situated in nearby Albion Road. This had a lounge with dining recess, fully equipped kitchen, bathroom with shower and gas central heating. This was available at a monthly rent of £595.00.
 16. We also had details of a two bedroom flat in a nearby modern development. This property had a lift and the accommodation comprised a living room with balcony, dining area, kitchen, one single bedroom, one double bedroom and bathroom with shower. Private parking was available. This flat was available to rent at £650.00 per month. It appeared

to the Committee that the condition of this property was such that it would have a wide appeal to a range of potential tenants.

17. The Committee was of the view that there was no scarcity in relation to properties similar to the dwelling house 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.
18. From its own experience, knowledge and from the information available on the internet, in the ESPC and in local Estate Agents the Committee were of the opinion that a two bedroom, unfurnished flat in a location similar to the area in which the dwelling house was located would be available to rent for around £7,200.00 per annum ("the market rent"). However this would be for a newly decorated property with double glazing, floor coverings, central heating and a modern kitchen and bathroom. Consequently the Committee considered that a deduction should be made to take account of a number of factors including the general condition of the dwelling house.

Thus:

Market rent (per month)	£7,200.00
*Less allowance	<u>£1,525.00</u>
	<u>£5,575.00</u>

* The Committee recognised that some prospective tenants would consider a property with a modern bathroom and modern kitchen more desirable than one in a similar condition to the dwelling house. We considered that the installation of a modern bathroom in the dwelling house would require structural works and would cost £5,000.00. This sum together with £1,000.00 for the kitchen should be written down over 10 years. The Committee concluded that a further £6,000.00 should be written down for central heating and £2,000.00 for floor coverings – both written down over 10 years. Moreover £1,000.00 should be written down over 10 years for redecoration. Finally the Committee determined that £2,500.00 would be written down over 20 years for double glazing.

19. Taking into account all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent for the dwelling house would be £5,575.00 per year.

R Handley

Chairman

Date: 25 January 2012