



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

<b>REFERENCE NO:</b>	<b>OBJECTION RECEIVED</b>	<b>OBJECTION</b>
RAC/KY14/867	30 July 2012	Tenant

**ADDRESS OF PREMISES**

Wellart, 5 Mournipea , Auchtermuchty, Fife, KY14 7BU

**TENANT**

Mrs J Smart

**NAME AND ADDRESS OF LANDLORD      AGENT**

Mr E Carswell  
4 Low Road  
Auchtermuchty  
Fife  
KY14 7AU

**DESCRIPTION OF PREMISES**

Traditional two bedroom cottage with gas central heating and double glazing comprising living room, dining kitchen, two bedrooms and bathroom.

**SERVICES PROVIDED**

None

**COMMITTEE MEMBERS**

**CHAIRMAN**  
**SURVEYOR**

J Lea  
R Buchan

<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£ 4,300.00 p.a.	13 September 2012	13 September 2012

**J Lea**

**Chairman of Private Rented Housing Committee**

**Date 25 September 2012**

## **RENT ASSESSMENT COMMITTEE**

### **STATEMENT OF REASONS**

**Wellart, 5 Mournipea, Auchtermuchty, Fife, KY14 7BU**

**13th September 2012**

#### Introduction

This is a reference to the Rent Assessment Committee under the provisions of Schedule 5 to the Rent (Scotland) Act 1984 following an objection by the tenant to the rent registered by the Rent Officer in respect of Wellart, 5 Mournipea, Auchtermuchty, Fife. The landlord is Mr E Carswell, 4 Low Road, Auchtermuchty, Fife. The tenant is Mrs J Smart Wellart, 5 Mournipea, Auchtermuchty, Fife.

The tenancy constitutes a regulated tenancy for the purposes of the Rent (Scotland) Act 1984. Following an application to the Rent Officer a rent of £4,056 per annum was registered on 16<sup>th</sup> July 2012 with effect from 16<sup>th</sup> July 2012.

#### Inspection

The Committee carried out an inspection on 13<sup>th</sup> September, 2012. The tenant Mrs J Smart and the landlord Mr E Carswell were present. The Committee noted that the property was a traditional 2 bedroom mid-terraced cottage with a floor area of 78 square meters built circa 1900. Part of the property is an extension built on some time later. The accommodation, all on one floor, comprises large living room, dining kitchen, 2 bedrooms and bathroom. The property has gas central heating and double glazing. A new bathroom has recently been fitted by the landlord. The kitchen is dated and most of the units have been provided by the tenant. The property has a front and rear garden. The property is located in a residential area on the fringes of Auchtermuchty within walking distance of local amenities.

The gas central heating was paid for, half by the landlord and half by the tenant. Two of the double glazed window units have failed and the windows are misted. There is a crack

in the wall in the kitchen considered to be historic. The outside light at the property is not presently working.

There was no hearing as neither party had requested one. The Committee had the following documentation before them.

1. Application for registration of rent form RR1 by the landlord dated 4<sup>th</sup> June 2012.
2. Letter from the tenant received 26 July 2012.
3. Form and representations from the tenant dated 8 August 2012

### Decision

The Committee took into account all the documents before it and also the verbal comments made by the landlord and tenant at the inspection.

Section 48 of the Act provides that:

In terms of Section 48(1) of the 1984 Act, the duty of the Committee when determining what rent would be a fair rent under a regulated tenancy, is to “have regard to all the circumstances, (other than personal circumstances), and, in particular, to apply their knowledge and experience of current rents of other comparable property in the area, as well as having regard to the age, character and locality of the dwelling house in question and its state of repair and, if any furniture is provided for use under the tenancy, to the quantity, quality and condition of the furniture”. Disrepair or defects attributable to the tenants should be disregarded, as should any improvements made by the tenants, otherwise than in pursuance of the terms of the tenancy (Section (48(3)). Improvements by the landlord are taken into account. In reaching its determination, the Committee complied with its duty as set out above.

The Committee considered carefully which of the three alternative methods of ascertaining a fair rent was most appropriate in this case. The three accepted methods used in Scotland are (a) determining a fair rent by having regard to registered rents of

comparable 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), or (c) calculating the appropriate return based on the capital value of the property, taking into account the element of scarcity. None of these methods is regarded as being the primary method, and the method chosen by the Committee will depend in each case upon the evidence available.

The Committee did not have any information with regard to comparable registered rents in the area. The Committee however was aware of a number of properties in the area available for let at a market rent. One property at Back Dykes, Auchtermuchty the Committee considered to be comparable as it is a 2 bedroom terraced property in Auchtermuchty. This was let for a rent in the region of £550 per calendar month. Another property at Orchard Cottage, High Street, Auchtermuchty is a 3 bedroom house which let at or around £570 per month. Another property at Whites Weigh, Auchtermuchty, a 2 bedroom flat let for £450 per month. The Committee also used its own knowledge and experience of the area and considered that a market rent for a modernised property similar to the property under consideration would be £450 per month equating to £5400 per annum

However, the Committee considered that deductions would require to be made from this to take account of the fact that the property under consideration does not have a modern kitchen and would require some cosmetic attention to the cracks together with some redecoration. At least 2 of the double glazed window units require to be replaced. The Committee also took account of the fact that the landlord only paid for half of the cost of the central heating system. The Committee estimated the cost of attending to these matters and discounted the sum over the estimated life of each element. In the circumstances the Committee considered that the rent required to be reduced by £1100 per annum to take account of this. This would give a market rent of £4300 per annum.

The Committee did not consider that there was any scarcity of properties available for rent in the area. It was clear that there were a number of properties available for let. The

Committee accordingly did not consider that the market rent required to be discounted to take account of scarcity.

In the whole circumstances the Committee considered that a fair rent for the property would be £4,300 per annum.

In making this determination the Committee had regard to all the documentation provided and submissions made and also the considerations required by section 48 of the Rent (Scotland) Act 1984.

**J Lea**

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Chairman

17 September 2012