



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/KW14/590	22 June 2007	Tenant

ADDRESS OF PREMISES

23 Brownhill Road, Thurso, KW14 7NL

TENANT

Mr B McGrory

NAME AND ADDRESS OF LANDLORD	AGENT
Pentland Housing Association Ltd. 37 – 39 Traill Street Thurso KW14 8EG	N/A

DESCRIPTION OF PREMISES

Top floor flat in three storey tenement circa 1960 with double glazing and electric heating comprising living room, three bedrooms, kitchen and bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mr R Handley LLB
PROFESSIONAL MEMBER	Mr R Buchan BSc FRICS
LAY MEMBER	Mr A McKay

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4500 p.a.	19 October 2007	12 June 2007

R Handley

Chairman of Privat Rented Housing Committee

23 October 2007

Date

PRIVATE RENTED HOUSING PANEL

HELD ON: 19 OCTOBER 2007

PROPERTY: 23 BROWNHILL ROAD, THURSO

STATEMENT OF REASONS

INTRODUCTION

This is a reference to the Private Rented Housing Panel ("the Committee") for the determination of a fair rent under the Rent (Scotland) Act 1984 by the tenant Mr B McGrory in relation to property at 23 Brownhill Road, Thurso ("the dwellinghouse"). The landlords of the dwellinghouse are Pentland Housing Association, 37 - 39 Traill Street, Thurso, Caithness. The original rent paid by the tenant was £2,250.77 per annum. The landlord applied for a rent of £2,772.00 per annum. The Rent Officer determined a rent of £2,772.00 per annum. The reference arises from the dissatisfaction expressed on the part of the tenant.

The tenant was present at the inspection as was a representative of the landlord.

Both the landlord and the tenant had intimated that they did not wish to attend a Hearing.

THE DOCUMENTATION

The Committee had the following documents before it: the RR1 Application, the tenant's appeal letter, the Rent Register pages and written representations from the tenant and the landlord.

THE INSPECTION

The tenant met the Committee outside the dwellinghouse and Mr Robert Shea (Clerk to the Committee), introduced the tenant and the landlord's representative to the Committee. The tenant drew the attention of the Committee to a number of his concerns relating to the common ground surrounding the dwellinghouse including the state of the road leading to the bin area and the pathways in the communal area to the rear of the dwellinghouse. He also drew the Committee's attention to the area where the garages were located and to an area off the main road where litter had accumulated. Finally the tenant advised the Committee that moss from the roof of the dwellinghouse often fell on to the surrounding pathways.

In relation to the common stairway, the tenant advised that this area had not been painted for a number of years. He was also concerned that some tenants/occupiers were failing to comply with their obligations to keep the common stairway clean. Moreover the main front door had been vandalised on a number of occasions.

The tenant confirmed he provided all furniture in the dwellinghouse. The tenant advised the Committee that double glazing had been fitted about 10 year prior to the inspection and that there was no dampness problem within the dwellinghouse. Although the electric white meter heating system was dated, the tenant told the Committee that he had no specific problems with it. He had no particular complaints about the dwellinghouse - his main concerns related to the communal outdoor areas and the area on the main road where litter was not removed by the Local Authority.

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is a top flat of a three storey block of flats located at 23 Brownhill Road, Thurso. The dwellinghouse was built circa 1960 and is located near shops, a school, the railway station and the town centre.

The tenant accepted that the path leading to the front of the building had been repaired and the Committee noted that this path appeared to be in a reasonable state of repair. The Committee noted that some of the slabs in the pathway in the garden area to the rear of the dwellinghouse were uneven. However the communal garden areas to both the front and rear of the dwellinghouse were adequately maintained.

Although the tenant told the Committee that the door leading to the common stairway had been vandalised, the Committee noted that the secure door entry system (located at the front door of the communal stair) appeared to be in working order. Whilst the common stair would benefit from redecoration, the area was adequately maintained. The windows were in a good state of repair. Although the tenant was concerned that not all occupiers of other flats within the block had complied with their obligation to keep this area clean, the Committee found that this area was generally clean and tidy.

The dwellinghouse is spacious and comprises a living room, three bedrooms, a kitchen and a bathroom.

The front door opens to a hallway.

The living room has a double window which overlooks the front garden area. An electric fire has been supplied by the tenant.

The kitchen contains modern units, a sink and a large storage cupboard. The tenant supplied the cooker.

Three bedrooms are located off the hall.

The bathroom has a WC, wash hand basin and bath.

The electrical system throughout the dwellinghouse is modern. The dwellinghouse is in good decorative order.

No services are provided by the landlord.

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 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.

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.

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.

None of these methods is regarded as the primary method.

No evidence was produced in relation to capital values. Given the lack of available evidence, the Committee determined it was not appropriate to proceed on the basis of capital value.

Neither party had provided the Committee with specific information or evidence about rents (either in the open market or under registered rents terms) which could be used by the Committee as comparables.

The Committee considered that to establish a fair rent it was appropriate to compare open market rents and thereafter review what might be an appropriate deduction for scarcity and to make any other appropriate deductions (if any).

The Committee was of the view that there was no scarcity of properties similar to the dwellinghouse in its locality. This was confirmed by the large numbers of properties available to let in local Estate Agencies and in websites such as "Property to Rent in Caithness, Scotland, UK".

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 three bedroom terraced cottage in Thurso would be available for rent of around £450. Indeed the Committee had evidence of a three bedroomed top floor flat in Brownhill Road which was available for a rental of £450. However this was a fully furnished flat with gas central heating and consequently would be likely to have a higher rent than the dwellinghouse. The Committee also had evidence of a 2 bedroomed flat available for a monthly rental of £400. This property also had electric storage heating and was close to local amenities. However since this property was a two bedroomed flat the market rent would be likely to be less than the market rent for a three bedroomed property.

Applying 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, the Committee was of the opinion that a property similar to the dwellinghouse would be available for rent of around £450 per month ("the market rent"). However the Committee considered that a number of deductions should be made to take account of various factors.

Thus:

Market rent (per month)	£ 450
Less allowance - unfurnished**	£50
Less allowance - electric heating***	<u>£25</u>
	<u>£75</u>
	<u>£375</u>

* Now the Private Rented Housing Panel

** 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 it appropriate to make a further deduction to take account of the fact that the dwellinghouse had a somewhat dated heating system (as opposed to a modern, efficient gas central heating system).

Taking into account all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent for the dwellinghouse would be £4,500 per year.

..... **R Handley** Chairman

..... 3 NOVEMBER 2007 Date