

**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

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<b>REFERENCE NO:</b>	<b>OBJECTION RECEIVED</b>	<b>OBJECTION</b>
RAC/EH6/841	9 February 2012	Landlord

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**ADDRESS OF PREMISES**

3F1, 6 Lorne Street, Edinburgh, EH6 8QU

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**TENANT**

Mrs J Crawford

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**NAME AND ADDRESS OF LANDLORD**

Miss A Hunters Trust

**AGENT**

James Gibb Property Management  
4 Atholl Place  
Edinburgh  
EH3 8HT

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**DESCRIPTION OF PREMISES**

A third 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 WC (with wash hand basin).

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**SERVICES PROVIDED**

None

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**COMMITTEE MEMBERS**

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

Mr R Handley  
Mr I Mowat  
Mr J Blackwood

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<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£5,600.00 p.a.	24 May 2012	24 May 2012

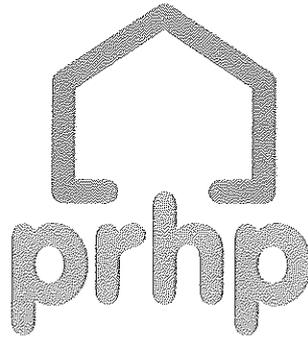
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**R Handley**

Chairman of the Private Rented Housing Committee

24 MAY 2012

Date

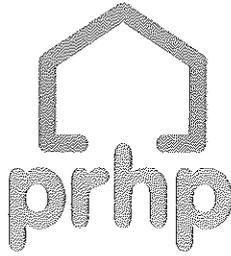


**PRIVATE RENTED HOUSING COMMITTEE**

**STATEMENT OF REASONS**

**PROPERTY:**

**3F1, 6 LORNE STREET, EDINBURGH EH6 8QU**



## **PRIVATE RENTED HOUSING COMMITTEE**

**HELD ON: 24 MAY 2012**

**PROPERTY: 3F1, 6 LORNE STREET, EDINBURGH EH6 8QU**

### **STATEMENT OF REASONS**

#### **Introduction**

1. The Committee comprised Mr R Handley (Chairman), Mr I Mowat (Surveyor) and Mr John Blackwood (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 3F1, 6 Lorne Street, Edinburgh, EH6 8QU ("the dwelling house"). The tenant is Mrs J Crawford. The original rent paid by the tenant was £3,950.00 per annum. The proposed rent was £5,900.00 per annum. The Rent Officer determined a rent of £4,775.00 per annum.

#### **The Documentation**

3. The Committee had available the Rent Register documents, representations from the landlord and the tenant and a copy of a Statement of Reasons dated 25 January 2012 which related to a flat at 2F1, 6 Lorne Street, Edinburgh.

#### **The Inspection**

4. The tenant was present throughout 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 third floor flat in a traditional tenement block built around 1880. The dwelling house 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, washing machine and cooker/oven. The tenant has also provided all furniture, floor coverings and heaters. The dwelling house has single glazing throughout.

6. The tenant has access to a well kept garden area to the rear of the dwelling house. She told the Committee that she maintains this garden area.
7. The internal floor area in the dwelling house measures approximately 91 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 two bedroom flat at 2F1, 6 Lorne Street, Edinburgh. The Committee in that case determined that the market rent for that flat would be £7,200.00 per annum. However that Committee considered that deductions should be made to take account of a number of factors. That Committee recognised that some prospective tenants would consider a property with a modern bathroom and kitchen more desirable than one in a similar condition to that flat. Moreover that Committee also recognised that a newly decorated flat with double glazing, floor coverings and gas central heating would increase the marketability of the flat. In these circumstances that Committee considered that it was appropriate to make deductions of £1,525.00 from the annual market rent to take account of these factors.
  15. In considering the application before us, the Committee was aware of a two bedroom flat situated in nearby Leith Walk. This property had two double bedrooms, a large living room, a separate kitchen, a WC and a shower room. This flat also had the benefit of electric central heating. This property was available at a monthly rent of £575.00 (£6,900.00 per year).
  16. The Committee also had details of a two bedroom flat in nearby Smith's Place. This property had a modern interior, fully fitted kitchen (with fridge freezer, electric oven and gas hob) and a bathroom with a separate shower cubicle. Moreover the property had gas central heating and an allocated parking space. This flat was available to rent at £610.00 per month (£7320.00 per year).

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 large 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 property with central heating, a modern kitchen and shower/bathroom, double glazing, floor coverings and a modern electrical system with adequate electrical points throughout the property. Consequently the Committee considered that a deduction should be made to take account of a number of factors.

Thus:

Market rent (per year)	£7,200.00
*Less allowance	<u>£1,600.00</u>
	<u>£5,600.00</u>

\* The Committee recognised that some prospective tenants would consider a property with a modern shower room/bathroom/WC and modern kitchen more desirable than one in a similar condition to the dwelling house. We considered that the installation of a modern shower room/WC in the dwelling house would cost £3,000.00 and that the installation of a new kitchen would cost a further £3,000.00. These sums should be written down over 10 years (\*\*£300.00 and £300.00). The Committee concluded that the installation of central heating would cost a further £3,000.00 and this should be written down over 15 years (\*\*£200.00). The dwelling house does not have double glazing and this would cost around £3,000.00 to be written down over 15 years (\*\*£200.00). The Committee considered that floor coverings would cost £2,000.00 and that this cost should be written down over 5 years (\*\*£400.00). Finally the Committee noted that the system for the supply of electricity within the dwelling house was dated and that there were insufficient electric points throughout the dwelling house. The Committee considered that a sum of £3000 would be required to remedy this – written down over 15 years (\*\*£200.00).

\*\* indicates the sums to be deducted per year from the annual market rent.

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 £5,600.00 per year.
20. The effective date is 24 May 2012.

R Handley  
..... Chairman      Date: 29 May 2012