



**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/EH8/849          | 26 March 2012             | Landlord         |

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**ADDRESS OF PREMISES**

143 Piersfield Terrace, Edinburgh, EH8 7BS,

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**TENANT**

Mrs W Norris

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**NAME AND ADDRESS OF LANDLORD**

Beattie Family

**AGENT**

James Gibb Property Management  
4 Atholl Place  
Edinburgh  
EH3 8HT

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**DESCRIPTION OF PREMISES**

A ground floor flat in a traditional 3 storey tenement block built over 100 years ago. The accommodation comprises a hall area, a living-room, a lounge, a bedroom and a bathroom with shower over the bath, a WC and a wash hand basin.

The internal floor area in the dwelling house measures approximately 61 square metres.

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**SERVICES PROVIDED**

None

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**COMMITTEE MEMBERS**

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

Ron Handley  
Robert Buchan  
Christine Anderson

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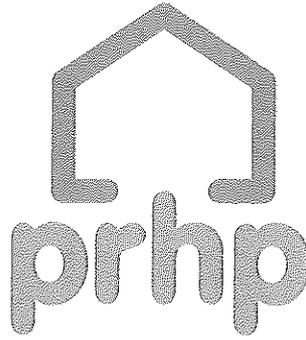
|                  |                         |                       |
|------------------|-------------------------|-----------------------|
| <b>FAIR RENT</b> | <b>DATE OF DECISION</b> | <b>EFFECTIVE DATE</b> |
| £ 4,170.00 p.a.  | 21 May 2012             | 21 May 2012           |

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R Handley

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**Chairman of Private Rented Housing Committee**

3 June 2012  
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**Date**

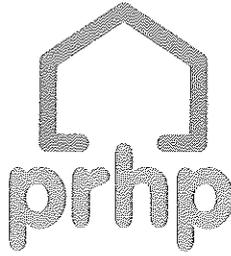


**PRIVATE RENTED HOUSING COMMITTEE**

**STATEMENT OF REASONS**

**PROPERTY:**

**143 PIERSFIELD TERRACE, EDINBURGH EH8 7BS**



**PRIVATE RENTED HOUSING COMMITTEE**

**HELD ON: 21 MAY 2012**

**PROPERTY: 143 PIERSFIELD TERRACE, EDINBURGH EH8 7BS**

**CASE REFERENCE: RAC/EH8/849**

**STATEMENT OF REASONS**

**Introduction**

1. The Committee comprised Mr R Handley (Chairman), Mr R Buchan (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, the Beattie Family in relation to the property at 143 Piersfield Terrace, Edinburgh, EH8 7BS ("the dwelling house"). The tenant is Mrs W Norris. The original rent paid by the tenant was £3,500.00 per annum. The proposed rent was £5,000.00 per annum. The Rent Officer determined a rent of £4,550.00 per annum.

**The Documentation**

3. The Committee had available the Rent Register documents and a copy of a Statement of Reasons dated 27 December 2011 which related to a ground floor flat at PF3, 7 Milton Street, Edinburgh, EH8 8EZ.

**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 ground floor flat in a traditional 3 storey tenement block built over 100 years ago. 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 hall area, a living-room (with a kitchen sink, a small "walk-in" cupboard which contains a cooker and fridge) and a further cupboard housing a washing machine and the central heating boiler, lounge (with a small cupboard which contains a freezer), a bedroom, and a bathroom with an electric instantaneous shower over the bath, a WC and a wash hand basin. The dwelling house has its own front door and a rear door leading into the common close. The dwelling house does not have central heating. The tenant has provided the kitchen units in the living room, the fridge, washing machine and cooker/oven, the electric shower and a new WC cistern. The tenant has also upgraded the electrical system and provided all furniture, floor coverings and heaters. The dwelling house has single glazing throughout. There is gas fired central heating to radiators provided under the Government's Central Heating Programme.
6. In the course of the inspection, the Committee found evidence of rising damp in the hallway and in the bedroom. There is also rot in window frames and generally the windows are ill fitting.
7. The tenant has access to a shared garden area to the rear of the dwelling house.
8. The internal floor area in the dwelling house measures approximately 61 square metres.

### **The Decision and Reasons**

9. 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 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 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.

(3) There shall be disregarded-

(a) any disrepair or other defect attributable to a failure by the tenant under the regulated tenancy or any predecessor in title of his to comply with any terms thereof, and

(b) any improvement (including any improvement to the furniture provided for use under the tenancy), or the replacement of any fixture or fitting carried out, otherwise than in pursuance of the terms of the tenancy, by the tenant under the regulated tenancy or any predecessor in title of his, and

(c) if any furniture is provided for use under the regulated tenancy, any deterioration in the condition of the furniture due to any ill-treatment by the tenant, any person residing or lodging with him, or any subtenant of his.

(4) In the application of this section to a converted tenancy, the references in subsection (3) above to the tenant under the regulated tenancy shall include references to the tenant under the tenancy before the conversion.

10. 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.

11. 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.

12. None of these methods is regarded as the primary method.

13. No evidence was produced in relation to capital values and the Committee decided it was therefore inappropriate to proceed on the basis of capital value.

14. The Committee had no information from the landlords or the tenant regarding rents of comparable properties located near to the dwelling house. Consequently the Committee 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.
15. As indicated, the Committee had a Statement of Reasons which related to a one bedroom flat at PF3, 7 Milton Street, Edinburgh, EH8 8EZ. The Committee in that case determined that the market rent for that flat would be £5,640.00 per annum (£470.00 per month). 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 modern white goods (a fridge, freezer, washing machine and cooker), a modern kitchen and shower room more desirable than one in a similar condition to that flat. Moreover that Committee also recognised that the cost of a modest upgrading would include remedying an area of dampness in the bedroom. In these circumstances that Committee considered that it was appropriate to make a deduction of £480 from the annual market rent to take account of these factors. Consequently the Committee concluded that the annual rent should be £5,160.00 (£430.00 per month).
16. 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. It was noted that there were over 90 properties to let in the EH8 postcode area from one source alone.
17. In considering the application the Committee was aware of a one bedroom flat situated in Piershill Terrace, Edinburgh. This property was furnished, had a large lounge, box room/study, fully fitted kitchen, gas central heating and double glazing. This property was let at a rent of £6,600.00 per year (£550.00 per month).
18. The Committee also had details of a first floor, one bedroom flat in nearby Meadowbank Crescent, Edinburgh. This property was in good decorative order and had a kitchen with fridge freezer, electric oven and gas hob and microwave. This property was let at a rent of £6,300 per year (£525.00 per month).
19. 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 one bedroom, unfurnished flat in a location similar to the area in which the dwelling house was located would command a rent

of around £6,240.00 per year (£520.00 per month) - "the market rent". However this would be for a property in good decorative order, with a modern electrical system, a modern kitchen and shower/bathroom, double glazing and floor coverings. As indicated, the Committee found evidence of rising dampness in the hallway and in the bedroom. Consequently the Committee considered that a deduction should be made to take account of a number of factors.

Thus:

|                        |                  |
|------------------------|------------------|
| Market rent (per year) | £6,240.00        |
| Less allowance*        | <u>£2,070.00</u> |
|                        | <u>£4,170.00</u> |

The Committee noted that, after disregarding the tenants improvements, the property would not be capable of being let in that it would not meet the repairing standard because of the dampness and the need for upgrading the electrical system, kitchen, bathroom and decoration. Any landlord looking to let the property would have to carry out a major scheme of upgrading to be able to present a lettable property on to what is a competitive market.

The Committee was of the view that the appropriate approach to value would be to consider the cost of the necessary upgrading and then to deduct from the open market rental the cost of the upgrading on a straight line basis over the life of each component of the upgrading.

The Committee 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 £4,000.00. These sums should be written down over 10 years (£300.00 and £400.00\*\*).

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 £1,600.00 and that this cost should be written down over 5 years (£320.00\*\*).

The Committee considered that a sum of £4,000 would be required to modernise the electrical system and that this should be written down over 10 years (£400.00\*\*).

As indicated the Committee found evidence of dampness in the dwelling house. This problem requires to be attended to as a matter of some urgency. The Committee considered that a sum of £1000 would be required to remedy this – written down over 20 years (£50.00\*\*).

Finally the Committee noted that the dwelling house would benefit from redecoration. The Committee considered that a sum of £2,000 would be required – written down over 5 years (£400.00\*\*).

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

20. 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 £4,170.00 per year (£347.50 per month).
21. The effective date is 21 May 2012.

R Handley  
..... Chairman      Date: 3 June 2012