



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/TD11/595	11 July 2007	Landlord

**ADDRESS OF PREMISES**

Kennels Cottage, Duns Castle Estate, Berwickshire, TD11 3NW

**TENANT**

Mr & Mrs Martin

NAME AND ADDRESS OF LANDLORD	AGENT
Mr A Hay Duns Castle Berwickshire TD11 3NW	N/A

**DESCRIPTION OF PREMISES**

Detached stone and slate built cottage circa 1850 with large garden, outbuildings and calor gas central heating comprising two public rooms, two bedrooms, utility room, kitchen and bathroom.

**SERVICES PROVIDED**

Private water supply and sewerage.

**COMMITTEE MEMBERS**

<b>CHAIRMAN</b>	Mr S Walker LLB(Hons) Dip LP ACI Arb
<b>PROFFFESSIONAL MEMBER</b>	Mr D Marshall FRICS
<b>LAYMEMBER</b>	Mr J Blackwood

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 5000.04 p.a. (Incl. of services of less than 5%)	30 October 2007	30 October 2007

**S Walker**

Chairman of Privat Rented Housing Committee

Date

6<sup>th</sup> November, 2007

# **PRIVATE RENTED HOUSING COMMITTEE**

## **STATEMENT OF REASONS**

### **PROPERTY:**

**Kennels Cottage, Duns Castle Estate,  
Berwickshire**

**PRIVATE RENTED HOUSING COMMITTEE**

**HELD ON: 30 October, 2007**

**PROPERTY: Kennels Cottage, Duns Castle Estate, Berwickshire**

## **STATEMENT OF REASONS**

### **INTRODUCTION**

This is a reference to the Private Rented Housing Committee for the determination of a fair rent under the Rent (Scotland) Act 1984 by the landlord, Mr. Alexander Hay ("the landlord"), Duns Castle, Berwickshire, TD11 3NW in relation to the property at Kennels Cottage, Duns Estate, Berwickshire, TD11 3NW ("the dwellinghouse"). The tenants of the dwellinghouse are Mr & Mrs Martin ("the tenants"). The original rent paid by the tenants was £3,756.00 per year. The landlord applied for rents of £5,720.00 per year for the property. The Rent Officer determined a rent of £4,590.00 per year.

The landlord and his wife, Mrs. Hay, attended the inspection. The tenants were present at the inspection of their dwelling house.

The landlord and Mrs. Hay attended the Hearing and only Mrs. Martin for the tenants attended.

The Committee comprised

Chairman     Mr. S Walker  
Surveyor     Mr D Marshall  
Lay Member  Mr J Blackwood

### **THE DOCUMENTATION**

The Committee had the following documents before it:

RR1 Application, landlord objection letter, rent register pages, landlord representations and tenants representations. The Committee also had details of rental properties available in the Borders area from the Landlord. None of these were comparable properties.

### **THE INSPECTION**

Mr Robert Shea, Clerk to the Private Rented Housing Committee, introduced the Committee to the landlords and tenants.

### **DESCRIPTION OF THE DWELLINGHOUSE**

Detached stone and slate built cottage *circa* 1850 with large garden, outbuildings and calor gas central heating comprising two public rooms, two bedrooms, utility room, kitchen and bathroom and private parking provided. The property appeared to be reasonably maintained and in reasonable condition.

## **THE HEARING**

The Chairman opened the hearing by introducing the Committee. The Chairman then asked the landlord if they wished to address the Committee. Mrs. Hay indicated that she wishes to address the Committee. Mrs. Hay advised the Committee that the rental currently received for the dwellinghouse was unduly low given the size and location of the property. She also advised the Committee that the landlord was not making a satisfactory financial return from the dwellinghouse and an open market rental would be significantly more than the tenants were currently paying. She advised the Committee that a fair rent for the dwellinghouse was £5,720.00 per year. The Chairman asked Mrs. Hay what her authority was to support that proposition to which Mrs. Hay confirmed it was her knowledge of the rental market in her area. Mr. Hay tendered to the Committee list of properties available locally for rent.

The Chairman then asked Mrs Martin if she would like to address the Committee. She confirmed she wished to. Her main concern was affording the rent increase as proposed by the landlord. She advised the Committee that she would prefer yearly increases in rent rather than every three years. The Chairman and Lay member advised Mrs. Martin that the rent fixed by Committee was a fair rent in terms of the legislation. Mrs. Martin advised the Committee that she could afford a rent of approximately £100 per week (approx. £5,200.00 per year). The Chairman advised Mrs. Martin that affordability was not an issue which would have a bearing on the Committee's decision.

## **DECISIONS AND REASONS**

Section 48 of that 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.

The Committee had one aspect to consider - what is a fair rent in respect of the dwellinghouse? The Committee is bound to apply section 48 *supra* and to determine a fair rent. A fair rent is the market rent less scarcity.

The Committee determined that there was no scarcity in the borders area currently. Accordingly, the Committee was required to determine a market rent in respect of the property.

No 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 comparable properties as advertised by Melrose & Porteous, Solicitors, Duns as well as the BSPC and Sunday Times Property Magazine. The rental for 3 bedroom detached properties in the borders area ranged from £350 pcm (basic to average condition) to £600 pcm (excellent condition). Evidence from the local letting offices in Duns identified an expected range of rents for 3 bed cottages to be £400 to £450 in general with better rents for fully modernised and furnished property. The subject property has good accommodation and amenity and it was accepted that £450 is achievable in this case. Tenants' improvements have to be disregarded and these have been quantified as required.

The Committee was of the view that there was minimal scarcity in relation to properties similar to the dwellinghouses and in similar locations. This was confirmed by the numbers of properties available to let in publications *supra*.

#### **The dwellinghouse**

The Committee considered that a number of deductions should be made to take account of various factors.

Thus:

Market rent (per month)	£450.00
Less improvements*	33.33

**Total** **£416.67**

\*The Committee was of the view that the kitchen, bathroom and central heating would require to be replaced before the property could be rented on the open market and so the current condition would reduce the market rent by approximately £33.00 per month. The Committee was of the view that a new kitchen (£1000.00), bathroom (£500.00) and central heating (£4,500.00) would cumulatively cost approximately £6,000.00 and this capital cost written off over approximately 15 years amounts to £400.00 per year and £33.33 per month.

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 £5,000.04 per year.

**S Walker**

**Steven P Walker LLB(Hons) Dip LP ACI Arb Advocate**

**Chairman  
Rent Assessment Committee**

**6<sup>th</sup> November, 2007**