



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH7.656	30 September 2008	Landlord

ADDRESS OF PREMISES

18 Hillside Street, Edinburgh, EH7 5HB

TENANT

Miss PA North

NAME AND ADDRESS OF LANDLORD

The Company of Merchants of the City of
Edinburgh
22 Hanover Street
Edinburgh
EH2 2EP

AGENT

Ryden Lettings
100 Hanover Street
Edinburgh
EH2 1DR

DESCRIPTION OF PREMISES

Main door tenement flat circa ¹⁴⁰⁰1500 with gas central heating comprising entrance hall, main hall, living room, dining kitchen, bathroom and separate w.c.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
LAYMEMBER

Mrs A McCamley BA LLB NP
Mr D Godfrey ARICS
Mrs L Nicholson

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 7200.00 p.a.	21 January 2009	21 January 2009

A McCamley

Chairman of Private Rented Housing Committee

21/1/09.
Date

PRIVATE RENTED HOUSING COMMITTEE
STATEMENT OF REASONS

Held On : 21st JANUARY 2009

Property: Main door flat 18 Hillside Street, Edinburgh (hereinafter referred to as "the flat")

1.0 Introduction

The Committee comprised Mrs. A. McCamley (Chairman), Mr. David Godfrey, Surveyor, Miss Liz Nicholson, Housing Member. The Landlord is the Company of Merchants of the City of Edinburgh represented by Mr Adair from their Agents Ryden Lettings of 100 Hanover Street, Edinburgh. The Tenant is Miss P. North. This reference to the Private Rented Housing Committee for determination of a fair rent under the Rent (Scotland) Act 1984 is in respect of the main door flat known as 18 Hillside Street, Edinburgh and arises from dissatisfaction on the part of the Landlords.

In June 2004 a previous Rent Assessment Committee determined the market rent to be a fair rent and the fair rent to be £6,000 per annum. The Landlords current application is for an annual rent of £7,200 per annum and the Rent Officer has determined a rent of £6,720 per annum.

2.0 Inspection

The flat was inspected by the Committee on 21st January 2009 in the presence of the Tenant and the Landlords' Agent.

- (1) The Situation - the flat is situated in a pleasant street off a main road and is convenient for public transport, shops, restaurants, cinemas and entertainment venues within the City. The flat is in an area of quality housing and is particularly well located in relation to the Scottish Parliament and the Scottish Executive Buildings in Victoria Quay. There are several bus stops nearby providing access to and from many parts of the City.

(2) /

(2) The Exterior - the property forms the main door of a traditional tenement block built around 1900. There is a small private front garden and a shared drying area to the rear. The front garden is a particular advantage given the location of the flat. On the date of the inspection the property was wind and watertight and the structural condition of the whole building was in keeping with its age, character and location.

(3) The Interior - the flat is accessed by a main front door which leads to a vestibule. A further internal door leads to the hallway. The accommodation comprises a hallway, a living room, two bedrooms a kitchen, a bathroom and a separate w.c. The flat is centrally heated.

The sitting room is a large room with a bay window. It has a radiator and there are three double electrical plugs. The room faces the front of the building.

The main bedroom is the double bedroom facing the rear of the building. There is a single window and the room has a radiator. There are two electrical sockets.

The single bedroom faces the front of the building. It has a radiator and there are two electrical sockets. The Tenant has fitted a bedding platform.

There is a small bathroom off the main hall which contains a bath and a wash-hand basin. The units are old but functional. There is no window in the bathroom but there is an extractor fan.

There is a w.c. at the end of the hall which has a window overlooking the rear communal area.

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The kitchen is a large room with a double window overlooking the communal garden. There is a radiator. There are a number of wall cupboards within the kitchen which have been provided by the Landlord however the Tenant has provided all other fixtures and fittings. The kitchen is sufficiently large to hold a dining table and other occasional furniture.

There are three large and useful cupboards in the hall.

The Tenant has attractively decorated and maintained the property. It should be noted the Tenant has provided all wall and floor coverings.

3.0 Documentation

The Committee considered all documents provided by the Landlord and the Tenant and took account of all the documentation provided at the Hearing.

4.0 The Hearing

A Hearing was held at the request of both parties.

Mr Adair for the Landlord produced a substantial list of two bedroom properties let by his Company from the 16th September 2008 to date from which it appeared that two bedroom flats in Edinburgh commanded monthly rentals of between £550 (although there were only two properties available at that figure) and £850 per calendar month. Mr Adair also produced an extract from the Evening News, Edinburgh's local evening newspaper, in which the Royal Institution of Chartered Surveyors figures were reported showing that rents in Edinburgh have increased by 20 per cent since the end of 2007 boosting the average rent for a two bedroom flat in the Capital from £675 per month to £800 per month. Mr. Adair drew our attention to properties in Montgomery Street which his Company had let during September and October 2008. The one bedroom property let for £580 per calendar month and a top floor two bedroom

flat let for £650 per calendar month. The Committee noted that Montgomery Street runs parallel to Hillside Street and the style of housing is very similar. Mr. Adair provided information from Ryden Lettings indicating an average void period of ten and a half days for the period June to November 2008.

Miss North produced details of properties to let from a Company known as City Lets. This information was helpful in that it provided details of both one and two bedroom flats within the City and indeed within Fife and West Lothian. Miss North emphasised the advantages to a Landlord of having a Tenant in the property for a number of years in that the Landlord saves on void periods and on the administration of re-letting properties. She confirmed she provided all the furnishings and floor coverings in the flat and that she was responsible for the painting and decorating.

5.0 The Decision

The Private Rented Housing Committee do not accept the determination of the fair rent by the Rent Officer. The Committee determines that a fair rent for the subjects is £600 per calendar month i.e. £7,200 per annum with effect from the 21st January 2009.

Reasons for the Decision

The Committee carefully considered all the written evidence together with the observations of Committee Members at the inspection and the points raised by parties in their written submissions and oral representations at the Hearing.

In particular the Committee considered which of the alternative methods of ascertaining a fair rent was most appropriate in this case. It is settled law that the three main guidelines are:-

(a) /

- (a) To compare registered rents for similar protected tenancy properties.
- (b) To ascertain what would be a fair return to the Landlord on the capital value of his property.
- (c) To have regard to free market rents for similar properties.

In this case the Clerk had prepared a schedule containing two comparable registered rents. These properties are not located in streets which are comparable to Hillside Street. The Committee cannot speculate as to how the Rent Officer reached his determination regarding these rents. We have no knowledge as to whether the properties have been modernised nor are we aware of the proportions of the rooms. We are also concerned that the Rent Officer may have perpetuated a deduction for scarcity when determining these rents. These concerns having been raised regarding the method by which the Rent Officer determined his figures for the comparable properties we concluded that direct interpolation from the Rent Register would not provide the best way of arriving at a fair rent for the reference property.

Neither party addressed the Committee on the capital value of the property and Committee had no information thereon.

Committee resolved to proceed by having regard to market rents for similar properties. The Committee is aware through its own market knowledge reinforced by the information provided by both parties that market rents for two bedroom flats in Edinburgh can range from approximately £550 to £850 per month fully furnished with central heating. Having studied the list of properties provided by both the Landlord and the Tenant we are of the view that the properties detailed at Appendix B of the Landlords' written representations provide a convincing indication of the rent which could be achieved for 18 Hillside Street. The Montgomery Street properties are quality housing in almost

exactly the same location /

location as Hillside Street. The top floor flat at Montgomery Street which is stated not to be in the best of conditions commands a monthly rental of £650. We understand this property is furnished. The one bedroom flat in Montgomery Street commands a monthly rental of £580. Applying our knowledge and experience of current rents of comparable property in the area and having regard to the age, character and locality of the dwellinghouse and to its state of repair the Committee determines that a market rent for the property is £600 per calendar month. This reflects a "write down" to reflect the difference in rental values between furnished and unfurnished properties. We take the view that any outstanding repairs are so minor in nature that they would not affect the rental value.

Having determined the market rent the Committee considered whether there should be any scarcity deduction in terms of Section 48(2) of the 1984 Act. The Committee applying its skill, knowledge experience and taking advice from its professional Member and having considered the written and oral evidence of both parties is of the view that there is fair equilibrium in the market.

Accordingly the market rent is the fair rent in this case. Thus the decision of the Rent Officer is revised upwards with effect from 21st January 2009.

A McCamley

Chairman PRHP

21/1/09