



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G44/739	18 March 2010	Landlord

**ADDRESS OF PREMISES**

Flat 1F1, 12 Gladstone Terrace, Edinburgh, EH9 1LS

**TENANT**

Mrs Channing

**NAME AND ADDRESS OF LANDLORD**

University of Edinburgh

**AGENT**

James Gibb  
Property Management  
4 Atholl Place  
Edinburgh  
EH3 8HT

**DESCRIPTION OF PREMISES**

First floor traditional tenement flat circa 1900 comprising four rooms, kitchenette and shower room.

Gross floor area – 82 square metres

**SERVICES PROVIDED**

None

**COMMITTEE MEMBERS**

**CHAIRMAN**

Mrs L Lea MBA LLB MSc

**SURVEYOR**

Mr I Mowat BSc FRICS

**HOUSING PANEL MEMBER**

Mr M Innes

**FAIR RENT**

£ 6480.00 p.a.

**DATE OF DECISION**

1 June 2010

**EFFECTIVE DATE**

1 June 2010

**J Lea**

Chairman of Private Rented Housing Committee

2/6/10

Date



**Statement of decision of the Private Rented Housing  
Committee under Section 24 (1) of the Housing  
(Scotland) Act 2006**

prhp Ref: RAC/EH9/739

**Re : Property at 1F1, 12 Gladstone Terrace, Edinburgh, EH9 1LS ("the  
Property")**

**Introduction**

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 Landlord, The University of Edinburgh in relation to the property at 1F1, 12 Gladstone Terrace, Edinburgh. ("the property"). The Tenant is Mrs F Channing. The previous rent paid by the Tenant was £3,675 per annum. The proposed rent was £7,200 per annum. The Rent Officer determined a rent of £5,000 per annum.

The Tenant was present at the inspection and the hearing. The Landlord was not present or represented at either the inspection or the hearing.

**The Documentation**

The Committee had the following documents before it:

- (1) The rent register document and a statement of reasons of 9 November 2009 from a Private Rented Housing Committee relating to a property at 1F2, 94 Causewayside, Edinburgh, EH9 1PU.
- (2) The Committee also had Form RR1 from the Landlord and reply on behalf of the Tenant.

**Description of the Property**

The property forms a first floor flat in a traditional four storey stone built tenement block built around 1900. The tenement is located in a residential area of the city. Schools, shops and bars are close by and the area is reasonably well served by public transport. The accommodation comprises of two bedrooms, living room, dining room with kitchenette and shower room. The kitchen and bathroom appliances in the property have been supplied by the Tenant. The central heating, internal decorating, floor coverings and light fittings have all been supplied by the Tenant. The windows are single glazed and in reasonable condition apart from in the kitchen where the window cords are broken. The property was rewired by the Landlord some time ago. The hot water comes from the central heating. There is a shared drying green to the rear of the property.

The floor space within the property measures about 82 square metres. The Committee noted that the Landlord does not provide furniture or services.

### **Hearing**

The Tenant was represented at the hearing by her daughter Mrs McCafferty. The Landlord was not present or represented. Mrs McCafferty advised that her mother had lived in the property for 50 years. She stated that the original bathroom had been a cast iron bath which had had to be replaced and the Tenant had completely redone the bathroom and made it into a shower room. There had been no kitchen at all in the property and the Tenant had installed the kitchenette off the dining room. The Landlord had rewired the property some time ago. Mrs McCafferty listed in detail all the improvements carried out to the property by the Tenant during the course of the tenancy. Mrs McCafferty explained that her mother was given the property instead of a council house. Mrs McCafferty advised that before installing the new bathroom and central heating, she asked the Landlord if they would pay for the work but they said no. She advised that they were still waiting for the University to do repairs to the radiator and to the window ropes in the kitchen. She indicated that she was happy with what the Rent Officer had quoted and thought that it was unfair that the rent be put up so much when the Tenant had carried out all the improvements to the property.

### **Decision and Reasons**

Section 48 of the Act provides that:

In terms of Section 48(1) of the 1984 Act, the duty of the Committee when determining what rent would be a fair rent under a regulated tenancy, is to "have regard to all the circumstances, (other than personal circumstances), and, in particular, to apply their knowledge and experience of current rents of other comparable property in the area, as well as having regard to the age, character and locality of the dwelling house in question and its state of repair and, if any furniture is provided for use under the tenancy, to the quantity, quality and condition of the furniture". Disrepair or defects attributable to the tenants should be disregarded, as should any improvements made by the tenants, otherwise than in pursuance of the terms of the tenancy (Section 48(3)). Improvements by the landlord are taken into account. In reaching its determination, the Committee complied with its duty as set out above.

The Committee considered carefully all the evidence presented, together with the observations made by the Committee members at the inspection. In particular, the Committee considered carefully which of the three alternative methods of ascertaining a fair rent was most appropriate in this case. The three accepted methods used in Scotland are (a) determining a fair rent by having regard to registered rents of comparable 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), or (c) calculating the appropriate return based on the capital value of the property, taking into account the element of scarcity. None of these methods is regarded as being

the primary method, and the method chosen by the Committee will depend in each case upon the evidence available.

Using its own knowledge and experience and having regard to the other properties available for let in the area, the Committee considered that a market rent for a fully modernised, double glazed, fully furnished, property with central heating, modern kitchen and bathroom in well decorated condition of the same size and in the same locality as this property would be around £675 per month.

However the Committee have to disregard any Tenant's improvements and accordingly considered that a deduction required to be made to take into account of the fact that, disregarding any Tenant's improvements, the property does not have double glazing, central heating, modern kitchen and bathroom, furniture or white goods and would not be in such good condition decoratively. The Committee accordingly considered that a deduction of £135 per month would require to be made to take account of this. This would result in a monthly rent of £540 and accordingly the Committee considered that a fair open market rent for this property would £6,480 per annum.

The Committee then proceeded to consider whether any further deductions required to be made in terms of Section 48(2) (the factor commonly referred to as "scarcity") of the 1984 Act. The concept of scarcity is an essential feature of the fair rent scheme under the Rent (Scotland) Act 1984. The principle behind the inclusion of this section was that tenants in a situation of scarcity of supply (in other words, where there are more prospective tenants than available houses) should be protected from market forces. It is this factor that distinguishes a fair rent under the 1984 Act from an open market rent. Section 48(2) requires that a neutral market with no scarcity of houses be assumed. In that situation, prospective tenants can be assumed to be willing to pay only what the property is worth, with no additional premium being paid in order to secure a property that is difficult to come by. If that situation does not exist, and there is a shortage of houses, (thus artificially pushing up rents) then Section 48(2) requires that the tenants be protected from the financial implications of that.

The Committee considered whether any discount should be made for scarcity in this case but was satisfied that in Edinburgh as a whole, there could not be said to be scarcity of similar properties to let at the present time. The Committee was satisfied that no deduction required to be made in relation to scarcity for this type of property at this point in time.

The Committee also had before it details of a property at 1F2, 94 Causewayside, Edinburgh. On 9 November 2009 a Private Rented Housing Committee had determined that a fair rent for this property was £4,800 per annum. The Committee however noted that this property was considerably smaller than the property under consideration and the Committee accordingly considered that the market rent evidence was the best evidence available.

No evidence was produced in relation to Capital Value. The Committee decided that it was therefore inappropriate to proceed on the basis of the capital value method.

Having taken all relevant factors into account, the Committee determined that a fair rent for the property was £6,480 per annum. In reaching this decision, the Committee had regard to all documentary and oral evidence and the all the circumstances that required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.

It should be noted that any increase in rent imposed in consequence of this decision must be applied in accordance with the provisions of Section 33 of the Rent (Scotland) Act 1984 and The Limits on Rent Increases (Scotland) Order 1989 No. 2469 (s168). These provisions specify the limits for the phasing in of significant increases.

The effective date is 1 June 2010.

**J Lea**

Signed..... (Chairperson)

Date..... 11/6/10.....