



**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/G44/741          | 18 March 2010             | Landlord         |

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**ADDRESS OF PREMISES**  
Flat 1F2, 26 Roseneath Terrace, Edinburgh, EH9 1JW

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**TENANT**  
Mr Symington

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| <b>NAME AND ADDRESS OF LANDLORD</b> | <b>AGENT</b>  |
| University of Edinburgh             | James Gibb<br>Property Management<br>4 Atholl Place<br>Edinburgh<br>EH3 8HT |

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**DESCRIPTION OF PREMISES**  
First floor traditional tenement flat circa 1900 comprising two rooms, living kitchen and unventilated bathroom.  
  
Gross floor area – 44 square metres

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**SERVICES PROVIDED**  
None

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**COMMITTEE MEMBERS**

|                             |                       |
|-----------------------------|-----------------------|
| <b>CHAIRMAN</b>             | Mrs L Lea MBA LLB MSc |
| <b>SURVEYOR</b>             | Mr I Mowat BSc FRICS  |
| <b>HOUSING PANEL MEMBER</b> | Mr M Innes            |

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| <b>FAIR RENT</b> | <b>DATE OF DECISION</b> | <b>EFFECTIVE DATE</b> |
| £ 4320.00 p.a.   | 1 June 2010             | 1 June 2010           |

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**J Lea**

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**Chairman of Private Rented Housing Committee**

2/6/10

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**Date**



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

prhp Ref: RAC/EH9/741

Re : Property at 1F2, 26 Roseneath Terrace, Edinburgh, EH9 1JW ("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 1F2, 26 Roseneath Terrace, Edinburgh, EH9 1JW. ("the property"). The Tenant is Mr R Symington. The previous rent paid by the Tenant was £3,200 per annum. The proposed rent was £7,200 per annum. The Rent Officer determined a rent of £4,000 per annum.

The Tenant was present at the inspection. The Landlord was not present or represented at the inspection. Neither party requested a hearing and accordingly no hearing took place.

### 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 circa 1900. The property is located in a residential area of the city. Schools, shops and bars are nearby and the area is reasonably well served by public transport. The accommodation comprises a living room, kitchen/diner, small bedroom and unventilated bathroom with no wash hand basin. There is no central heating in the property and the electrical oil filled radiators are provided by the Tenant. The windows are old style single glazed sash type windows and are draughty. Apart from the kitchen sink, all other items in the kitchen have been supplied by the Tenant. The property was rewired three or four years ago and an immersion heats the hot water. The property also has an old coal cellar and a store room. There are two old fire places in the property.

The floor space within the property measures about 44 square metres. The Tenant has the use of a communal backyard area at the rear of the property.

The Committee noted that the Landlord does not provide furniture or services.

### **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, furnished and properly decorated property with central heating of a similar type and in a similar locality to the property under consideration would be around £500 per month.

The Committee however has to disregard anything provided by the Tenant in the property. The Committee accordingly considered that a deduction required to be made to take account of the fact that disregarding anything provided by the Tenant, the property has no heating, no kitchen, no double glazing, no furniture, no floor coverings or white goods and has a bathroom which is not of an acceptable standard. The Committee further considered that in order to make the bathroom acceptable it would have to be relocated which would involve the moving of various soil pipes in the property. The Committee accordingly considered that £140 per month required to be deducted from the

rent giving a figure of £360 per month. The Committee accordingly taking into account the current condition of the property considered that £4,320 per annum would be a fair open market rent.

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. It was noted that this property was larger than the property under consideration and accordingly the Committee 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 £4,320 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.....