



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/EH7/793	9 March 2011	Landlord

ADDRESS OF PREMISES

2F3, 2 Croall Place, Edinburgh, EH7 4LT,

TENANT

Mrs Grant

NAME AND ADDRESS OF LANDLORD

Scottish Prudential Investment Assosiation

AGENT

James Gibb
4 Atholl Place
Edinburgh
EH3 8HT

DESCRIPTION OF PREMISES

Second floor flat in pre-1919 traditional tenement building, comprising 3 rooms, kitchen-diner and bathroom. Modernised, with central heating.

The gross internal floor area is 101 sq. m.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

A McCamley BA LLP NP
G Wooley MRICS
L Nicholson

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4,550.00 p.a.	3 May 2011	3 May 2011

A McCamley

Chairman of Private Rented Housing Committee

Date

3/5/11

STATEMENT OF REASONS
PRIVATE RENTED HOUSING COMMITTEE

INSPECTION : 3rd MAY 2011

PROPERTY : 2F3 2 Croall Place, Edinburgh EH7 4LT

Introduction

1. The Committee comprised Mrs. Anne McCamley, Chairman, Mrs. G. Wooley, Surveyor and Mrs. L. Nicholson (Housing Member).
2. The Landlord is The Scottish Prudential Assurance Company. The Tenant is Mrs. D. Grant. This reference for a Determination of a fair rent under the Rent (Scotland) Act 1984 is in respect of a second floor flat at 2 Croall Place, Edinburgh and arises from dissatisfaction on the part of the Landlord.
3. The previous rent was £3,800.00 per annum. The Landlord applied for a rental figure of £5,700.00 per annum. The rent determined by the Rent Officer was £4,560.00 per annum.

Inspection

4. The property was inspected by the Committee on the morning of the 3rd of May 2011 in the presence of the Tenant. Although the Landlord had been invited to the inspection he did not attend.
5. The flat is situated on Leith Walk although its address is Croall Place. The flat is situated above shops. Leith Walk is a very busy thoroughfare and the noise of cars and buses could be heard within the flat. The property enjoys a fine open aspect both front and rear and is within walking distance of all the usual amenities. It is in the heart of a very multi-cultural area and there are a large number of public houses and places of entertainment in the near vicinity of the flat.

6. The reference property is on the second floor of the tenement block. The stairwell is in a very poor state of repair having suffered fire damage a number of months ago. There is a drying green/garden to the rear of the property however this has fallen into disrepair and disuse.
7. The flat comprises two large well proportioned bedrooms, a generous sized sitting room, a family dining kitchen with pantry off and bathroom. There is ample storage throughout. The Committee noted the wiring is old and unlikely to meet current standards. The windows are now in very poor condition and the bathroom requires complete renovation.
8. The stairwell has suffered smoke and fire damage. No repair work has been carried out.
9. Neither party requested a Hearing.

The Decision

10. 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 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". Disrepair or defects attributable to the Tenant should be disregarded as should any improvements made by the Tenant, otherwise than in pursuance of the terms of the tenancy. Improvements by the Landlord are taken into account. In reaching its determination, the Committee applied with its duty as set out above.

11. The Committee considered carefully all the evidence presented, together with the observations made by Committee Members at the internal and external 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 any scarcity element and making any appropriate disregard 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. The method chosen by the Committee will depend in each case upon the evidence available. In this case neither party produced any evidence as to capital values or market rents. The Committee was not provided with evidence of registered rents deemed to be comparable.

Mindful of the observations by the Lord President in *Western Heritable Investment Company Limited v. Hunter* (2004) the Committee was aware of the need to proceed on the basis of the best available evidence using other available evidence as a check where possible. In this case, in the absence of any evidence from the parties, the Committee was obliged to rely on its own knowledge and experience of the rents passing and being asked in the local market. We did not have available to us any up to date evidence as to registered rents of comparable regulated tenancies. We proceeded to consider the case using the market rent less any discount for scarcity approach.

12. Using its knowledge and experience and having regard to other properties for let in the area the Committee considered that a market rent for a double glazed modernised smartly presented unfurnished two bedroomed flat with large family kitchen and generously proportioned sitting room would be around £6,000.00 per annum. We arrived at this figure after researching the rental market through

newspaper advertisements, the internet and having made enquiries with letting agents. To achieve this rental the reference property would require to be brought up to a higher standard than that at which it is currently let.

To bring the property up to an appropriate standard the Committee felt it would be necessary to replace the bathroom, re-wire throughout, install double glazing and undertake extensive redecoration to include provision of floor coverings. We estimate that cost to be £3,000.00 written down over 10 years for the bathroom; £3,000.00 written down over 15 years for re-wiring; £5,500.00 written down over 15 years for double glazing (the flat has six large windows which would require to be double glazed) and £3,000.00 written down over 5 years for redecoration to include floor coverings. Thus the total annual deduction is £1,450.00. We assessed the market rent at £6,000.00 per annum. Having made the various deductions as described above the figure of £4,550.00 is determined as a fair rent.

13. We then proceed 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 but the Committee was satisfied that in the area of 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 there is an equilibrium in the market at the moment.
14. Having taken all relevant factors into account, the Committee determined that a fair rent for the property is £4,550.00 per annum. In reaching this decision the Committee had regard to all documentary and other evidence and all the circumstances that required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.
15. The effective date is the 3rd of May 2011.

A McCamley

Chairman prkP.