



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:

RAC/G52/635

OBJECTION RECEIVED

28 April 2008

OBJECTION

Landlord

ADDRESS OF PREMISES

67 Baldovie Road, Glasgow, G52 3EY

TENANT

Miss JH McLachlan

NAME AND ADDRESS OF LANDLORD

Mrs A Mustarde

AGENT

Hacking & Paterson
1 Newton Terrace
Glasgow
G3 7PL

DESCRIPTION OF PREMISES

Lower cottage flat within two storey block of four flats circa 1930 with gas central heating and double glazing comprising four rooms, kitchenette and bathroom with relative garden grounds.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN

PROFESSIONAL MEMBER

LAYMEMBER

Mr R Handley LLB

Mr A English FRICS

Mr T Keenan

FAIR RENT

£ 5300.00 p.a.

DATE OF DECISION

16 July 2008

EFFECTIVE DATE

16 July 2008

R Handley

Chairman of Private Rented Housing Committee

Date

16 July 2008

STATEMENT OF REASONS

PRIVATE RENTED HOUSING PANEL

HELD ON: 16 JULY 2008

PROPERTY: 0/1 67 BALDOVIE ROAD, GLASGOW
0/1 873 MOSSPARK DRIVE, GLASGOW
0/1 59 TRINITY AVENUE, GLASGOW

INTRODUCTION

This is a reference to the Private Rented Housing Panel for determinations of fair rents under the Rent (Scotland) Act 1984 by the landlord Mrs A Mustarde in relation to properties at 0/1, 67 Baldovie Road, Glasgow, ("the first dwellinghouse"), 0/1, 873 Mossbank Drive, Glasgow ("the second dwellinghouse") and 0/1, 59 Trinity Avenue, Glasgow ("the third dwellinghouse").

The original rent paid by each tenant varied between £3,520.00 and £3,670.00 per annum. The landlord applied for rents of £5,000.00 per annum for all dwellinghouses. The Rent Officer determined rents of £4,930.00 per annum for each dwellinghouse. The reference arises from the dissatisfaction expressed by the landlord. The Committee noted that the landlord had subsequently (but prior to the inspection) sought an increase of rent to £5,400.00 per annum.

THE EVIDENCE

The Panel had the following documents before it: the RR1 Application, the appeal letter, the Rent Register pages and written representations from the tenant of the first dwellinghouse, the tenant of the third dwellinghouse and from the landlord. The Committee took account of these documents. None of the parties had requested a Hearing. The Committee used their knowledge and experience in determining fair rents.

THE INSPECTIONS

Mr Robert Shea, Clerk to the Private Rented Housing Panel, introduced the Committee to the tenants at the inspections of all three dwellinghouses which took place on 16 July 2008. All three tenants were present - the landlord was not.

DESCRIPTION OF THE DWELLINGHOUSES

All three dwellinghouses are of the same size, shape, style and general layout. They are all ground floor cottage flats forming part of two storey blocks of flats. All dwellinghouses are located in the same locality - a well established residential area near shops, schools and public transport. Each tenant has sole access to a small garden area. No services are provided by the landlord.

The dwellinghouses were built circa 1930.

The dwellinghouses comprise a living room, two double bedrooms, a kitchen and a bathroom. The front door opens to a hallway. The living room, bedrooms and bathroom are located off the hallway. The kitchen is located off the living room as is a further small room which is used as a store/dining room.

The bathroom in each dwellinghouse has a window, WC, wash hand basin and bath.

The dwellinghouses do not appear to have been rewired recently but nonetheless the electrical system appeared to be adequate. None of the dwellinghouses has double glazing supplied by the landlord. The dwellinghouses are in reasonable standard of repair.

Each dwellinghouse has a central heating system installed under the Scottish Government EAGA scheme. Whilst the central heating systems were not paid for by the landlord, they were not paid for by the tenants and cannot be regarded as improvements by the tenants. The central heating systems cannot be disregarded under section 48(3)(b) of the Rent (Scotland) Act 1984. The properties must be valued as having the benefit of central heating.

DECISIONS AND REASONS

Section 48 of the 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 Panel, 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.

In Scotland there are three accepted methods of determining a fair rent. These are:

- (a) determining a fair rent by having regard to registered rents of comparables 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);
- (c) calculating the appropriate return based on capital value of the property, taking into account the element of scarcity.

None of these methods is regarded as the primary method.

The concept of scarcity is an important feature of the fair rent scheme under the Rent (Scotland) Act 1984. The Committee considered whether it would be appropriate to make any deduction for scarcity but concluded that there was no scarcity in relation to properties similar to the dwellinghouses in similar locations. This was confirmed by the numbers of

properties available to let in local Estate Agencies, in websites and in local newspapers.

Capital value

No evidence was produced regarding capital values. Given the lack of available evidence, the Committee decided it was not appropriate to proceed on the basis of capital values.

Comparable Registered Rents

The landlord drew the attention of the Committee to PRHC decisions made in relation to similar properties situated at Bucklaw Terrace, Tweedsmuir Road, Innerwick Road and Talla Road (all Glasgow). The Committee had sight of the Statement of Reasons relative to these properties and noted that the Committee (in these cases) determined that a fair rent for the properties was £5,400 per annum (with the exception of 271 Talla Road which was determined at £5,000 per annum). In determining what would be a fair rent for the dwellinghouses (using this method), we noted that none of the dwellinghouses had double glazing and consequently we considered that a deduction of £100 should be made from the annual rent. Using this method of determining a fair rent and having regard for all the evidence before us, we concluded that a fair rent for each dwellinghouse should be £5,300 per annum.

Market rent

It was also noted that the Committee which had determined fair rents at Bucklaw Terrace, Tweedsmuir Road, Innerwick Road and Talla Road had taken account of a PRHP decision relating to a similar property at 31 Thorncroft Road, Glasgow. In the Thorncroft Road case the Committee determined that the market rent for a property of the same size and general location would be £5,400 per annum. We agreed with the conclusion of that Committee. From our own experience, knowledge and from the information available on the internet and in local Estate Agents, we were of the opinion that a fully furnished property similar to any of the dwellinghouses would be available for rent of around £6,000 per annum. Again using our knowledge and experience of the market we considered that a deduction of £700 be made to take account of the fact that the dwellinghouses were unfurnished and that it did not have the benefit of double glazing. We concluded that the market rent for each dwellinghouse would be £5,300. As already indicated, we considered that it was not appropriate to make any deduction for scarcity (or that any

other deductions were appropriate). Accordingly we determined that a fair rent using this method was also £5,300 per annum.

... R Handley Chairman

..... 30 July 2008 Date