



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

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REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G42/652	11 September 2008	Tenant

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**ADDRESS OF PREMISES**

1/1, 4 Govanhill Street, Glasgow, G42 7JZ

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**TENANT**

Mr & Mrs Plunkett

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NAME AND ADDRESS OF LANDLORD	AGENT
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Govanhill Housing Association  
Samaritan House  
79 Coplaw Street  
Glasgow  
G42 7JG

N/A

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**DESCRIPTION OF PREMISES**

Traditional first floor tenement flat circa 1900 with gas central heating and double glazing comprising three rooms, kitchen and bathroom.

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**SERVICES PROVIDED**

Door entry system and backcourt ground maintenance.

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**COMMITTEE MEMBERS**

**CHAIRMAN**  
**SURVEYOR**  
**HOUSING MEMBER**

Mrs J Taylor LLB Dip LP NP  
Mr G Campbell FRICS  
Mr S Campbell

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FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 3600.00 p.a. (Incl. of services of less than 5%)	1 December 2008	20 September 2008

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**J Taylor**

Chairman of Private Rented Housing Committee

1/12/08  
Date

## **STATEMENT OF REASONS**

*in connection with*

**INSPECTION HELD ON 1<sup>st</sup> December 2008**

*of the property*

*Flat 1/1, 4 Govanhill Street, Glasgow*

### **1. THE PARTIES**

The landlords are Govanhill Housing Association Limited, Samaritan House, 79 Coplaw Street, Glasgow, G42 7JG. The tenants are Mr and Mrs Plunkett, they first became tenants of Govanhill Housing Association Limited in the mid 1990's, the exact date is not known. Their tenancy of this property commenced on 17<sup>th</sup> May 2002 and it is a registered tenancy in terms of the Rent (Scotland) Act 1984.

### **2. BACKGROUND**

The current rent is £2687.59 per annum. The landlords applied for the rent to be increased to £3701.93. The Rent Officer registered a rent of £3068.20 per annum with effect from 20<sup>th</sup> September 2008. The Tenants referred the determination to the Private Rented Housing Panel ('PRHP').

### **3. THE INSPECTION**

The committee were unable to gain access to the property but inspected the property externally.

The property is a first floor flat in a four storey, traditional red sandstone tenement.

The landlords advised the committee of the details of the property at the hearing they explained that the tenement had been substantially refurbished in 2002. The accommodation comprises two double bedrooms, corner living room, kitchen and bathroom. During the refurbishment works a fitted bathroom, a fitted kitchen, double glazing and central heating were installed.

The committee observed a door entry system to the tenement. There is a public park situated opposite the property and the property is conveniently located for public transport and local services.

The landlords advised that they arrange back court grounds maintenance for an annual charge of £58.20 per annum.

#### **4. THE HEARING**

The tenants did not attend the hearing. The Landlords were represented by Alan MacDonald, their Housing Services Manager. He advised the committee as follows:-

- The property is a sought after property and is situated in the most desirable part of Govanhill.
- The Housing Association has approximately 1600 properties and a waiting list of 1300 live applications. This compares with Glasgow Housing Association which has 600 properties in Govanhill and a waiting list of over 1000 live applications.
- There is a constant demand for this size of property as it is classed as larger family accommodation. In particular this property is located in the most recently renovated tenement and consequently it is highly desirable and sought after.
- He advised that the private rental sector within Govanhill is very healthy. The market rents of comparable privately rented properties range from £475 to £550 per month. There are seldom empty private rented flats in the area. Properties are re let very quickly. There is a healthy demand and healthy turnover.
- He considered that there is scarcity of supply of private rented properties in Glasgow.
- He commented on the comparable properties: He explained that 0/1, 67 Daisy Street and 0/1, 12 Annette Street are poorer quality properties as they are located in tenements that have not been renovated and these properties are managed by private factors. He considers that 1/3, 11 Annandale Street is a smaller property which is located in a desirable area.

#### **5. THE DECISION**

The committee had the following documents before them:-

- A copy of form RR1, the tenants' application for registration of the rent.
- Written Representations from the landlords' which state:- *'The Association is happy to attend the Private Rented Housing Committee regarding this objection and seeks to have at least the full rent applied for set by the PRHP.'*
- Written Representations from the tenants' which state:- *'There has been no improvement to this home yet this is the second rent increase.'*

- List of comparable rents, provided by the clerk:-

Address	Accommodation	Description	Effective date	Registered Rent
1/3, 11 Annandale Street, Glasgow	2 rooms, living kitchen and bathroom	Tenement flat	23 <sup>rd</sup> May 2008	£3300
0/1, 67 Daisy Street, Glasgow	2 rooms, living kitchen and bathroom	Tenement flat	14 <sup>th</sup> February 2008	£3300
0/1, 12 Annette Street, Glasgow	Living room, box bedroom, dining kitchen and bathroom	Tenement flat	23 <sup>rd</sup> November 2007	£3300

The committee considered the documents provided and the submissions of Alan MacDonald.

The committee accepted Alan MacDonald's comments on the comparable properties, 1/3, 11 Annandale Street, Glasgow, 0/1, 67 Daisy Street, Glasgow and 0/1, 12 Annette Street, Glasgow. As these properties are smaller, poorer quality accommodation they gained little assistance from comparable rents of these properties.

The committee had obtained details of thirteen other properties available to lease in the area, from newspaper advertisements and the internet. The rents of these properties ranged from £450 to £525 per month. These properties were improved properties and included the provision of furnishings, appliances and floor coverings.

The committee considered this evidence of market rents of properties in the area and decided that the market rent of a property comparable to 1/1, 4 Govanhill Street was £475 per month, however they acknowledged that the rent included the provision of furnishings, appliances and floor coverings, as stated.

The committee were mindful of the terms of section 48(1) of The Rent (Scotland) Act 1984, which requires the committee 'to have regard to all of 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 dwelling house in question and to its state of repair and, if any furniture is provided for use under the tenancy, and to the quantity, quality and condition of the furniture'. Also section 48(2) which requires them to 'assume that the number of persons seeking to become tenants of similar

dwelling- houses in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling- houses which are available to let on such terms.'

The committee carefully considered the landlords written submission to the effect there is scarcity in the rental market. They agreed that as a result of the 'credit crunch' which started almost a year ago scarcity has returned to the rental market. They referred to the recent PRHP decisions in relation to the properties 1/R, 7 Fairlie Park Drive, Glasgow, 2/1, 13 Willowbank Crescent, Glasgow and 2/2, 14 Somerville Drive Glasgow which stated that there is now scarcity of supply, and that a deduction of 20% from market rents was reasonable to reflect the current level of scarcity in Glasgow. The committee agreed with these decisions and this level of scarcity.

As stated the committee considered that the market rent of a comparable property, which included the provision of furnishings, appliances and floor coverings, was £475 per month (£5700 per annum). They considered that the cost of supplying the appliances was approximately £1,000. They considered that this capital expenditure would have a reasonable average life expectancy of 5 years which justified a reduction of £200 from the annual rent of the comparable market rent. They considered that the cost of supplying the furnishings and floor coverings was approximately £10,000. They considered that this capital expenditure would have a reasonable average life expectancy of 10 years which justified a reduction of £1000 from the annual rent of the comparable market rent. Also a deduction of 20% was required to reflect the element of scarcity now pertaining.

The committee were satisfied that the service charges amounting to £53.20 per annum for back court maintenance are reasonable and are to be included in the rent.

Therefore the committee decided that the fair rent for the property is £3600 per annum, inclusive of services of less than 5%.

In reaching this decision the committee have had regard to all the considerations required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.

This decision takes effect from the Twentieth day of September Two thousand and eight.

**J Taylor**

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Chairperson, 7<sup>th</sup> December 2008