



**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/G31/659	18 September 2008	Landlord

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**ADDRESS OF PREMISES**

1/1, 114 Roslea Drive, Glasgow, G31 2RR

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**TENANT**

Miss G Johnston

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**NAME AND ADDRESS OF LANDLORD**

Mr Angus & Mrs Iris MacLean

**AGENT**

Hacking & Paterson  
1 Newton Terrace  
Glasgow  
G3 7PL

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**DESCRIPTION OF PREMISES**

Traditional first floor tenement flat circa 1900 with gas central heating comprising three rooms, living kitchen and bathroom ventilated to common stair.

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**SERVICES PROVIDED**

None

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**COMMITTEE MEMBERS**

**CHAIRMAN**

Mr R Handley LLB

**SURVEYOR**

Mr Mr A English FRICS

**HOUSING MEMBER**

Mrs T Ahmed

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**FAIR RENT**

£ 3780.00 p.a.

**DATE OF DECISION**

19 December 2008

**EFFECTIVE DATE**

19 December 2008

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**R Handley**

Chairman of Private Rented Housing Committee

19/12/08  
Date

## **STATEMENT OF REASONS**

### **PRIVATE RENTED HOUSING PANEL**

**HELD ON: 19 DECEMBER 2008**

**PROPERTY: 1/1, 114 ROSLEA DRIVE, GLASGOW**

### **INTRODUCTION**

This is a reference to the Private Rented Housing Panel ("the PRHP") for determination of a fair rent under the Rent (Scotland) Act 1984 by the landlords Mr and Mrs Maclean in relation to property at 1/1, 114 Roslea Drive, Glasgow ("the Dwellinghouse").

The original rent paid by the tenant was £2,175.00 per annum. The landlords applied for a rent of £3,250.00 per annum. The Rent Officer determined a rent of £2,575.00 per annum. The reference arises from the dissatisfaction expressed by the landlords.

### **THE EVIDENCE**

The Committee had the following documents before it: the Rent Register documents, representations from the tenant and representations from the landlords. The Committee also had details of two comparable properties. The Committee took account of all these documents and used their knowledge and experience in determining a fair rent.

The tenant had requested a Hearing. The landlords had previously intimated that they would only attend a Hearing if the tenant requested one. In any event the tenant advised the Committee (during the course of the inspection) that she no longer wished to attend the Hearing. Consequently no Hearing was held.

### **THE INSPECTION**

Mr Robert Shea, Clerk to the PRHP, introduced the Committee to the tenant at the inspection of the Dwellinghouse which took place on 19 December 2008. The landlords were not present at the inspection.

### **DESCRIPTION OF THE DWELLINGHOUSE**

The Dwellinghouse is a first floor flat in a block of tenement flats located in a well established area near shops, schools, leisure facilities and public houses. There are good public transport links to the city centre. The tenant has access to a small communal drying area to the rear of the Dwellinghouse.

The Dwellinghouse was built circa 1890 and is generally in a reasonable state of repair. Externally the tenement building appeared to be in a reasonable state of repair. The roof is probably tiled although the roof was not visible from street level.

There is a security door on the close. The close, stairs and landings were clean and tidy. The Dwellinghouse appeared to have a modern electrical system. All windows were single glazed. The Dwellinghouse has central heating. All furniture is supplied by the tenant. No services are provided by the landlords.

The Dwellinghouse comprises a living room, two bedrooms, a kitchen and a bathroom. The front door opens to a hallway. The living room, bedrooms, kitchen and bathroom are located off the hallway.

The bathroom has a WC, wash hand basin and bath. It has a window to the stair well but does not have an extractor fan. There is no radiator in the bathroom.

The living room has a cupboard recess and a double window. There is a radiator in the living room.

The first bedroom has a double window and is heated by a radiator. The Committee noted that the ceiling in the second bedroom had been lowered. It was not clear to the Committee why these works had been executed. The Committee also noted that the room had not been redecorated following the lowering of the ceiling.

### **DECISION 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 (now the PRHP), 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.

#### Capital value

No evidence was produced by the parties 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

As indicated, the Committee had before it details of two comparable properties.

The first of these was a tenement flat at 1/2, 336 Cumbernauld Road, Glasgow. This was a three roomed property with a scullery and bathroom. The Committee noted the rent for this property had been determined by the PRHP and a copy of the Statement of Reasons was before the Committee. The annual rental for this property had been determined at £3,200.00. It was noted that, unlike the Dwellinghouse, this property (at Cumbernauld Road) was a three roomed property. This property did not have the benefit of central heating and it was noted that the scullery was described in the Statement of Reasons as being "extremely small". In all these circumstances the Committee considered that the rental for the property at Cumbernauld Road would be less than the rental for the Dwellinghouse.

The Committee also had information regarding a three roomed property at 3/1, 79 Roslea Drive, Glasgow. However the rental for this property had not been determined by the PRHP. The Committee was not able to inspect this property and had no information about the internal condition of this property. The Committee had no way of knowing or ascertaining the key assumptions used in determining how the registered rent had been determined. The Committee concluded that the direct interpolation from such a registered rent would not provide the best way of determining a fair rent for the Dwellinghouse.

#### Market rents

The Committee considered that to establish a fair rent it was appropriate to compare open market rents and thereafter review what might be an appropriate deduction for scarcity and to make any other appropriate deductions (if any).

Neither party had provided the Committee with specific information or evidence about rents (either in the open market or under registered rents terms) which could be used by the Committee as comparables. However the Committee had details of a number of properties available for rent in this area of Glasgow. The Committee noted that one bedroomed flats (located in an area similar to the area in which the Dwellinghouse was located) were available for a monthly rental of between £350 and £400. Two bedroomed properties were available at a monthly rental of between £400 and £575. The Committee using its knowledge and expertise of market rents in the

area considered that a furnished property similar to the Dwellinghouse would be likely to achieve an open market rent of £500 per month.

The Committee was of the view that there was no scarcity in relation to properties similar to the Dwellinghouse in its locality. This was confirmed by the numbers of properties available to let in publications such as the GSPC Newsletter and in local Estate Agents.

However the Committee considered that deductions should be made to take account of a number of factors.

Thus:

Market rent (per month)		£500
Less allowance*	£50	
Less allowance**	<u>£100</u>	
		£150
Less 10% ***		£350
		<u>£35</u>
		<u>£315</u>

\* The Committee recognised that some prospective tenants would consider a property with furniture, carpets and white goods. (regardless of condition) more desirable than an unfurnished property. Consequently the Committee considered it appropriate to take account of this factor.

\*\* The Committee also considered it appropriate to make a deduction because the Dwellinghouse is essentially unmodernised and lacked a modern kitchen and bathroom.

\*\*\* The Committee considered that there would be a market resistance to a completely empty flat with no carpets or curtains and accordingly deducted 10%.

Consequently, taking account of all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent for the Dwellinghouse would be £3,780 per year.

..... R Handley ..... Chairman

..... 20 January 2009 ..... Date