



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G44/742	24 March 2010	Landlord

ADDRESS OF PREMISES

Flat 3/1, 72 Holmlea Road, Glasgow, G44 4AL

TENANT

Mr Neilson

NAME AND ADDRESS OF LANDLORD

Skeryl Properties

AGENT

Macfie & Co
5 Cathkinview Road
Glasgow
G42 9EA

DESCRIPTION OF PREMISES

Third floor traditional tenement flat circa 1900 with gas central heating comprising two rooms, living kitchen, scullery and bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

Mr J Bauld LLB(Hons) Dip LP
Mr M Links FRICS
Mr T Keenan

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 3900.00 p.a.	27 May 2010	27 May 2010

J Bauld

Chairman of Private Rented Housing Committee

27 May 2010

Date

STATEMENT OF REASONS

BY PRIVATE RENTED HOUSING COMMITTEE

In connection with

INSPECTION HELD ON 27 MAY 2010

Of the property at

Flat 3/1, 72 Holmlea Road, Glasgow G44 3AG

1. The Parties

The Landlord of the property is Skeryl Properties per their agents Macfie & Co 5, Cathkinview Road, Glasgow, G42 9EA.

The tenant is Mr James Neilson. The tenancy is a regulated tenancy in terms of the rent (Scotland) Act 1984.

2. Background

The current rent of the property is £2,940 per annum (£245 per month). The Landlord proposed an increased rent to £4,000 per annum (£333.33 per month). The rent officer determined a rent of £3,440 per annum (£286.66 per month) with effect from 3 April 2010. The Landlord appealed that determination to the Private Rented Housing Panel ("PRHP").

3. The Inspection

The Private Rented Housing Committee consisting of James Bauld, Chairman, Mike Links, Surveyor, and Tom Keenan, Housing member inspected the property on 27 May 2010.

The property is contained within a four storey red sandstone tenement block with a tiled roof. The property is situated on the 3rd floor. The property consisted of two rooms, dining kitchen, scullery, bathroom and hall. The gross internal floor area amounts to 64 sq m or thereby. The property has a gas central heating system which had been installed with the benefit of the grant from a Scottish Government programme and was therefore treated as having been adopted by the Landlord as a Landlord's fixture. There was a secure door entry system. There was a communal back Court area which contained the bin storage area. The communal back Court area was neatly maintained and easy to access. The property is very conveniently located for public transport links, local shops and services. The property has single glazing and the windows were sash and case.

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4. The Hearing

After the inspection a Hearing took place which was conducted within the property at the request and with the consent and concurrence of the parties. The Landlord was represented by a Mr O'Hare from the Landlord's agents. He indicated his belief that market rents in the area for flats of a similar size ranged from £475 to £550 per month. He accepted these rents were for flats in an optimum state of repair and with modern fittings such as double glazing and white goods. He indicated his belief that the property under inspection would require to be upgraded and that the relevant costs of the required upgrading would be approximately £12,000. He indicated those costs should be recovered over a ten year period. He then indicated that he would deduct £1,200 from his suggested yearly rent to reflect the current standard of the property. Based on his lowest figure of £475 per month that would create a rent of £5,700 per annum. He would deduct £1,200 from that to come to £4,500 and then the Landlord had agreed to further reduce the sum sought to £4,000 to reflect the condition of the property. He indicated that the required upgrading work would include new windows, new kitchen and bathroom fittings, decoration, fitted carpets and floor coverings and the provision of kitchen white goods.

The tenant Mr Neilson then addressed the Committee. He believes that the increase being sought was too large and that the tenant was receiving no benefit from that increase. He indicated his belief that all the Landlord wished to do was to increase the rent to a level where the tenant would be required to leave in order that the Landlord could sell the property. He indicated that he no knowledge as to comparable rent in the area.

The Landlord's agent had produced copies of relevant extracts from websites showing what he claimed to be similar flats in the area. These were flats in Sinclair Drive, Cathcart Road, Battlefield Gardens and Battlefield Road. It was accepted by the tenant that these flats were broadly similar and were in generally similar areas.

After the Hearing the members of the Committee then reconvened at the offices of the PRHP to consider their decision. The decision was based on the inspection of the property, the available documentation, the evidence presented by the parties and the Committee's own knowledge and experience.

5. The Decision

The Committee had the following documentation before them:-

- Copy form RR1 in respect of the property being the Landlord's application for registration of rent dated 11 January 2010;
- Determination by the rent officer dated 3 April 2010;
- List of comparable registered rents provided by the Clerk containing reference to three properties at Flat 1/1, 165 Stanmore Road, Glasgow, G42 9AN, Flat 2/1, 10 Overdale Gardens, Glasgow, G42 9QQ and Flat 1/1 10 Overdale Gardens, Glasgow, G42 9QQ

The Committee considered all the documents provided. The Committee also obtained details of other properties available for leasing in the area from newspaper advertisement and the internet. The Committee had also noted during the inspection some agency boards in Holmlea Road indicating other properties to let.

The Committee were mindful 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 expertise of current rents with comparable property in the area, as well as having regard to the age, character and locality of the dwellinghouse in question and to the state of repair and, if any furniture is provided for use under the tenancy, the quantity, quality and condition of the furniture.

The Committee are also required to assume that in terms of Section 48 (2) of the same Act that "the number of persons seeking to become the tenant of similar dwellinghouses in the locality on the terms (other than those relating to rent) of a regulated tenancy is not substantially greater than the number of dwellinghouses in the locality which are available for letting on such terms".

No Capital valuations were produced to Committee. The Committee were provided by the Landlord with copies of advertisements for other flats for let in the area. The Committee considered these examples together with the three examples of comparable rents provided by the Clerk to the Committee. The Committee also exercised their own knowledge and experience. The Committee took the view that the comparables provided by the Clerk at 10 Overdale Gardens were true comparables. The flats in Overdale Gardens were almost identical to the subject matter of the current inspection. The Committee, from their own knowledge and experience were aware that the range of rents for flats within the general area

of the property ranged from £350 to £450 per month. These rents related to flats in Rannoch Street, Holmhead Place, Holmlea Road, Battlefield Avenue, Cartside Street, Newlands Road, Bolton Drive and Tankerland Road. The Committee, exercising its knowledge and expertise, took the view that a fair market rent for a fully modernised flat having all the improvements previously indicated, and of a similar size and location to the subject property, would be £425 per month or £5100 per annum.

The Committee further determined that the subject property was let as unfurnished and did not benefit from any white goods or carpets supplied by the Landlord. The Committee also determined that in the property the kitchen and bathroom fittings were not of a modern standard. The Committee also determined that the property was not provided with double glazing. The Committee also noted that the property had wiring that was generally old. The Committee therefore considered that a reasonable deduction was required to reflect the difference between the property at 72 Holmlea Road and the market rent for a modern flat of the same size and in the same location.

The Committee considered the costs of supplying appropriate carpeting and appliances, replacing the bathroom and kitchen fittings with modern equivalents, replacing the floor coverings, upgrading the wiring and installing double glazing would cost in the region of £13,500. The Committee considered this capital expenditure would have a reasonable average life expectancy of ten years in respect of carpeting, bathroom and kitchen fittings, floor coverings and wiring and 15 years in respect of double glazing. The Committee therefore considered that this justified a reduction of £1,200 per annum from the assessed market rent from a modern flat of the same size and location as the subject property. On a monthly basis the Committee determined that the total monthly deduction would be £100. The Committee therefore decided the appropriate market rent for the property would be £3,900 per annum (£325 per month) being the market rental level for the modern flat under deduction of the work required to reflect the differences between such a modern flat and the property under inspection.

Having determined the market rent, the Committee then considered whether there should be any scarcity deduction in terms of Section 48 (2) of the of the 1984 Act. Applying its own skill, knowledge and experience, the Committee could find no evidence of excess demand for properties such as the properties under inspection and noted also that there appeared to be a large number of similar sized properties available for rent in the locality of the subjects. The Committee accordingly determined that there was no significant scarcity of properties.

Having considered all the relevant factors the Committee decided that the fair rent for the property at Flat 3/1, 72 Holmlea Road should be £3,900.

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

This decision takes effect from 27 May 2010.

J Bauld

Signed

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Date

7 June 2010

James Bauld, Chairperson

Signature of Witness.. **L McManus**

Date

7/6/10

Name, address and occupation of the witness (please print):-

Laura McManus (Secretary)
7 West George Street
Glasgow, G2 1BA