



**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/G32/743/10	here	here

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**ADDRESS OF PREMISES**

1/1, 6 Budhill Avenue, Glasgow, G32 0PN,

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**TENANT**

Mr & Mrs McCammon

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**NAME AND ADDRESS OF LANDLORD**

J Goodall & Mrs M Crawford

**AGENT**

WM Cumming Turner & Watt  
40 Carlton Place  
Glasgow  
G5 9TS

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**DESCRIPTION OF PREMISES**

First floor traditional tenement flat circa 1900 comprising two rooms, kitchen and bathroom.

Gross floor area – 46 square metres.

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**SERVICES PROVIDED**

None

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**COMMITTEE MEMBERS**

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

Mrs A McCamley BA LLB NP  
Mr M Links  
Mr T Keenan

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<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£2800.00 p.a.	28 May 2010	28 May 2010

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**A McCamley**

Chairman of Private Rented Housing Committee

3/6/10

Date

**STATEMENT OF REASONS  
PRIVATE RENTED HOUSING COMMITTEE**

**INSPECTION :** 28th MAY 2010

**PROPERTY :** 1/1 6 Budhill Avenue, Glasgow

**Introduction**

1. The Committee comprised Mrs. Anne McCamley, Chairman, Mr. Mike Links, Surveyor and Mr. Tom Keenan, Housing Member.
2. The Landlord is J. Goodall and others. The Tenants are Mr. and Mrs. McCammon. This reference to the Private Rented Housing Committee for the determination of a fair rent under the Rent (Scotland) Act 1984 is in respect of the first floor flat at 6 Budhill Avenue, Glasgow and arises from dissatisfaction on the part of the Landlord.
3. The original rent was £2,200.00 per annum. The Landlord applied for a rent of £3,500.00 per annum. The rent determined by the Rent Officer is £3,150.00 per annum.

**Description of Property**

4. On the morning of the 28th of May 2010 the Committee carried out an inspection of the property. The property is a first floor flat forming part of a traditional tenement building. No services are provided by the Landlord. The flat is located in a busy residential area close to shops and other amenities.
5. The flat comprises sitting room, bedroom with kitchen and bathroom. It is described by the Landlord's agent as "unimproved by the Landlord". The Committee would adopt this position. The Tenant has done a considerable amount of work on the property. He has upgraded the kitchen, the bathroom and the wiring. The Tenant has provided floor coverings and white goods. There is no central heating system and the windows are in a poor state of repair. All furniture and floor coverings have been provided by the Tenant.

### The Hearing

6. A Hearing took place on the afternoon of the 28th of May at the Glasgow offices of the Private Rented Housing Panel. The Landlord was represented by his agent Mr. Donald and Mr. and Mrs. McCammon were personally present. Mr. Donald conceded the property was completely unimproved by the Landlord and that allowances should be made for re-wiring, the installation of heating and the installation of a kitchen.
7. Mr. and Mrs. McCammon advised that it was very difficult to let flats in their stair. They confirmed they had done everything to the flat and that when it was let to them it was let as a "shell".

### Decision

8. 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 properties 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 defect 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 final determination the Committee complied with its duty as set out above.
9. The Committee carefully considered 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) calculating the appropriate return based on the capital value of the property
- (c) taking market rents and then discounting any scarcity element and making appropriate disregard as required by Section 48(3).

None of these methods is regarded as being the primary method and the method chosen by the Committee will depend in each case upon the evidence available. In this case the Landlord asked the Committee to adopt the market rent approach and mindful of the observations by the Lord President in the case of *Western Heritable 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, the Committee felt the best available evidence was the evidence from Mr. Donald regarding market rents together with their own knowledge and experience of rents passing and being asked in the local market place. We proceeded to consider the case using the market rent less any discount for scarcity approach.

10. Using its own knowledge and experience and having regard to all the oral and written evidence before us today the Committee considered that a market rent for a modernised double glazed centrally heated property of the type and in the locality of the present property would be £350.00 per month (£4,200.00 per annum). We arrived at this figure after researching the up-to-date rentals achieved for this type of property through the newspapers, the internet and making enquiries with letting agencies. However the subject property must be valued as having no central heating, no kitchen, no double glazing, no bathroom and requiring re-wiring. We also noted floor coverings would require to be provided by the Landlord. We considered a total of £1,400.00 per annum should be deducted from the open market figure to take account of these factors leaving a net figure of £2,800.00 per annum.

We arrived at our deductions by estimating the life of the items and adopting straight line depreciation

Thus:- kitchen	£3,000 written down over 10 years + £ 300 p/a
bathroom	£3,000 written down over 10 years = £ 300 p/a
re-wiring	£3,000 written down over 15 years = £ 200 p/a
central heating	£3,000 written down over 15 years = £ 200 p/a
double glazing	£3,000 written down over 15 years = £ 200 p/a
decoration/floor covering	£1,000 written down over 5 years = <u>£ 200</u> p/a
	£1,400 p/a

11. We then proceeded to consider whether any further deductions required to be made in terms of Section 48 (the factor commonly referred to as scarcity) of the 1984 Act but the Committee was satisfied that in the Glasgow area 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 currently an equilibrium in the market.
12. Having taken all relevant factors into account the Committee determined that a fair rent for the property is £2,800.00 per annum. In reaching this decision the Committee had regard to all documentary and other evidence and all the circumstances that require to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.
13. It should be noted that any increase in rent imposed in consequence of this decision must be applied in accordance with the provisions of Section 33 of the Rent (Scotland) Act 1984 and the Limits on Rent Increases (Scotland) Order 1989 No.2469(S168). These provisions specify the limits for the phasing in of significant increases.
14. The effective date is the 28th of May 2010.

**A McCamley**

*Chairman*