



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

<b>REFERENCE NO:</b>	<b>OBJECTION RECEIVED</b>	<b>OBJECTION</b>
RAC/G20/846	27 April 2012	Landlord

**ADDRESS OF PREMISES**

1/1 98 Raeberry Street, Glasgow, G20 6EG,

**TENANT**

Mrs C McNeil

**NAME AND ADDRESS OF LANDLORD**

Mr O Lovatt c/o Edzell Property Management

**AGENT**

Murray & Muir  
Chartered Surveyors  
100 Berkeley Street  
Glasgow  
G3 7HU

**DESCRIPTION OF PREMISES**

First floor flat in 4 storey blonde sandstone tenement C.1900 2 bedroom, living room, dining room, kitchen and bathroom.

**SERVICES PROVIDED**

None

**COMMITTEE MEMBERS**

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

Jim Bauld  
Sara Hesp  
Susan Brown

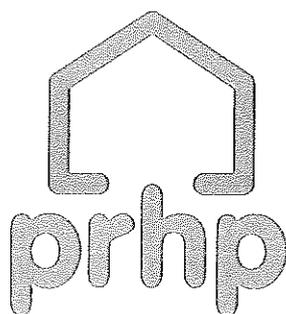
<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£ 5,200.00 p.a.	27 April 2012	27 April 2012

**J Bauld**

Chairman of Private Rented Housing Committee

Date

9 May 2012



## **Determination by Private Rented Housing Committee**

Statement of Reasons by the Private Rented Housing Committee

(Hereinafter referred to as "the Committee")

In connection with the inspection on 27<sup>th</sup> April 2012 of the property at

Flat 1/1, 98 Raeberry Street, Maryhill, Glasgow, G20 6EG

Case Reference Number: RAC/G10/846

### **The Parties:-**

1. The landlords of the property are Valance Property per their agents Edzell Property Management, 1008 Pollokshaws Road, Glasgow, G41. The tenant is Mrs Christine McNeil who resides at the property. The tenancy is a regulated tenancy in terms of the Rent (Scotland) Act 1984.

### **Background:-**

2. The current rent for the property is £4,400 per annum (£366.67 per month). The landlords proposed an increased rent to £5,400 per annum (£450 per month). The rent officer determined a rent of £4,900 per annum (£408.33 per month) with effect from 14<sup>th</sup> February 2012. Both the landlords and the tenant appealed that determination to the Private Rented Housing Panel ("PRHP").

### **The Inspection:-**

3. The Private Rented Housing Committee consisting of James Bauld, Chairman, Sara Hesp, surveyor and Susan Brown, housing member, inspected the property on 27<sup>th</sup> April 2012. The tenant was present during the inspection along with her husband. The landlords were neither present nor represented at the inspection.
4. The property is situated within a 4 storey blonde sandstone tenement block with a tiled roof. The property is situated on the 1<sup>st</sup> floor. The property consists of a living room, a dining room, two bedrooms, kitchen, dark bathroom and hall. The gross internal floor area of the property amounted to 75 square metres or thereby. The property had a gas central heating system and hot water was provided via a combi-boiler. The windows within the property had been replaced approximately thirty five years ago and were wooden framed single glazed windows. The property had a secure door entry system. There was a communal back court area with a drying green and a raised back court

which was in a neat and tidy condition. Maintenance of the back court area was carried out by the tenant. The property is situated in a residential area which is conveniently situated for local shops and services and public transport links. It is in the Maryhill area of Glasgow. The property was built in or around 1900.

### The Hearing

5. After the inspection, the Private Rented Housing committee held a hearing within the offices of the Private Rented Housing Panel. The hearing was attended by Mr McNeil, the husband of the tenant. The landlords were represented at the hearing by Mr Iain Donald of Murray & Muir, Chartered Surveyors, 100 Berkeley Street, Glasgow, G3 7HU.
6. Prior to the hearing, Mr Donald had prepared and submitted to the Committee a comprehensive written submission which set out the reason why the landlords were seeking the rental level of £5,400 per annum.
7. At the hearing Mr Donald was invited to address the Committee. He stated that he had been involved with the present property acting for a variety of landlords for twenty five years. He invited the Committee to consider his written submissions and made various supplementary oral submissions. He indicated that in his view the rent officer's decision was wrong and that the fair rent should be set at the level of £5,400. He indicated he would not compare this property with any rents in the rent register nor would he try to set the rent levels based on return on capital. He indicated that he had approached it by looking at other properties available in the market. He particularly drew the Committee's attention to page seven of his report and a property at 140 Raeberry Street. That was owned by the same group (Raeberry Street Property Company) which had previously owned the present house. He indicated that in his report that this property was being advertised at a monthly rent of £625. He told the Committee that he had checked with the agent that morning and had been told this property had been let on a furnished basis at £595 and that the let had been concluded within the last month. He invited the Committee to accept the valuations of rent contained in his report on page seven and submitted that in his view the fair rent for the property should be £5,400. Mr Donald indicated that the present rent of £4,400 had not been reviewed for a number of years. He indicated that the previous landlords had not wished to review the rent and were happy with the long term relationship they had with their tenants. Mr Donald confirmed that Mr and Mrs McNeil were the very best of tenants. He however indicated that the new landlords were taking a more commercial view of the rents which should be achieved and in his view £5,400 was not an unreasonable rent given the location of the property and its size. It was conceded by Mr Donald that Mr and Mrs McNeil pay the annual gas service contract to British Gas.
8. Mr Donald then asked the Committee to take into account other properties which he had listed in his report. He drew the Committee's attention to the appendices to his report which showed various adverts for properties available for rent. He drew attention to a property in Fergus Drive which had recently been let at £725 per month. This had been let via Slater Hogg & Howison and he had confirmed this with their office. He also referred to another property on Oban Drive which had been advertised at £625 per month. He indicated that he had checked with the letting agents, (Hennessy Bowie) and had been told that the property had now been removed from the letting market as it had been sold. Mr Donald indicated that Hennessy Bowie had said that they could have let this property many times at a rental level of £595 per month.
9. Mr Donald was then questioned by members of the Committee. He was asked whether he thought that Fergus Drive was in a comparable area to Raeberry Street, Mr Donald conceded that Fergus Drive would be regarded as a "better" address and would fall within the North Kelvinside area. He conceded that he would struggle to include Raeberry Street within the North Kelvinside area and that it would fall within the Maryhill area.

10. Mr Donald was then asked whether he wished to adjust his valuation of the rental levels for Raeberry Street based on the information that the other property at 140 Raeberry Street had been let for £595 on a furnished basis. He told the Committee that he had been tempted to do so but had decided that he would not. He indicated that there are many reasons which lead to agreements on rental level and he maintained the figures which had been set in his report.
11. Mr Donald was then further questioned with regard to other properties which were available to let in Dalmally Street. He took the view that the properties in Dalmally Street had been refurbished some years ago using council funding and had been refurbished to a specification which would be used by housing associations. He took the view that they were not necessarily better comparables for rental levels with the properties in Raeberry Street. His view was that if you continued to focus downwards towards a single property you lose the overall picture which is required when valuing properties. He remained of the view that £5,400 was a fair rent for the property at Raeberry Street.
12. Mr McNeil then addressed the Committee. He indicated that he was now willing to accept the rent officer's figure of £4,900 per year. However he indicated that if that figure was to be set then he would stop paying the fee to British Gas for the gas service contract. That fee was £17 per month. He took the view that it was his landlord's responsibility to carry out repairs to the gas central heating system and he saw no reason why he should continue to make that payment if the rent was to be increased.
13. Mr McNeil indicated that he had been told by Edzell Property Management that their responsibility was only to keep the property wind and water tight and that any internal repairs would be his responsibility. He asked the Committee to consider that if he was renting this property from a local housing association that his rent would be substantially lower. He indicated that there were only two rented flats in the close and he took the view that short period tenancies tended to be at a higher rate. He indicated that he did not consider Oban Drive and Fergus Drive to be comparable properties. He indicated that he took the view they were in North Kelvinside which was a much better area and would attract higher rent levels. He advised the Committee that he believed £5,400 was an excessive rent and would be harsh. He also pointed out to the Committee that there was internal damage to the flat and that repairs were required.
14. In response to Mr McNeil's comments, Mr Donald indicated that his clients were aware of the internal damage to the flat and that there were ongoing discussions with another proprietor within the close to have certain repairs carried out. He indicated that Mr and Mrs McNeil were involved in those discussions and that he hoped they would be successfully concluded. He accepted that payment of the monthly fee to British Gas for the servicing of the gas boiler was a matter which should fall within the landlord's responsibilities, although they could simply choose to deal with repairs when they were needed rather than having such an "insurance" contract. He concluded by again inviting the Committee to set the rent at £5,400 per annum. He also concluded by indicating to the Committee that his duty as a professional witness was to the Committee and not to his client.

### **The Decision**

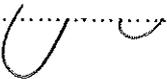
15. In addition to the decision made at the hearing, the Committee had the following documentation before them:-
  - Copy Form RR1 in respect of the property being the landlords' application for registration of rent dated 9<sup>th</sup> December 2011
  - Determination by the Rent Officer dated 14<sup>th</sup> February 2012
  - Written submission from the tenant dated 14<sup>th</sup> March 2012
  - Written submission by Murray & Muir on behalf of the landlord dated 12<sup>th</sup> March 2012

16. The Committee considered all the documents provided and listened carefully to all the evidence led at the hearing. The Committee also had obtained details of other properties available for let in the area from internet advertisements.
17. 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 other rents with comparable properties 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 provided for use under the tenancy, the quantity, quality and condition of the furniture.
18. The Committee are also required to assume that in terms of Section 48 (2) of the said Act that "the number of persons seeking to become the tenants of similar dwellinghouses in the locality on the terms (other than those related 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".
19. No capital valuations of the property were produced to the Committee. The Committee were provided with a number of suggested comparable relevant rentals for properties by the landlord. The Committee also used their own knowledge and expertise to consider other information which was available to them from other sources.
20. The committee carefully considered the views expressed at the hearing and in particular the detailed written submission provided by Mr Donald.
21. The committee, having considered all of the information provided and applying their own knowledge and experience were aware that the range of rents for flats within the general area of the property ranged from £450 per month to £625 per month. The Committee took the view that the average rent for a modernised property of the same size as the property under consideration would be approximately £575 per month. The Committee noted that a furnished property within the same street had, according to Mr Donald, been let within the last month for £595 per month. The Committee determined that there should be a reduction to reflect a lower rent for an unfurnished property. The Committee accordingly took the view that the fair market rent for a fully modernised unfurnished flat in this locality of a similar size and location as the subject property would be £575 per month or £6,900 per annum.
22. The Committee further determined that the present property was let as unfurnished and did not benefit from all the normal amenities and facilities that would be expected in a modernised flat. The Committee noted that Mr Donald, in his submissions, accepted that this was the case. In his submissions, Mr Donald indicated that there should be adjustments made to reflect the lack of a modernised bathroom, modernised kitchen, modernised electrics, floor coverings and white goods and an allowance for lack of double glazing. He suggested a total annual figure of £1,800 for these adjustments from the suggested fair rent. The Committee considered that this was the correct way to arrive at a fair rent. The Committee noted that the property did not have a modernised kitchen and bathroom, that the electrics were old and that the property did not benefit from flooring and double glazing. The Committee therefore considered that a reasonable deduction was required to reflect the difference between the property at Flat 1/1, 98 Raeberry Street and the market rent for a modernised flat of the same size within the same location. The Committee considered the costs of providing appropriate modernisations to the bathroom, kitchen and electrics and to providing appropriate flooring and installing double glazing. The Committee took the view that the costs involved would justify a reduction in the annual rent of £1,700 per annum. Accordingly the Committee determined a fair rent for the property would be £5,200 per annum being the market rental level for a fully modernised flat under deduction of the works required to reflect the differences between such a modernised flat and the property under inspection. The difference between the suggested deduction in Mr Donald's submission and the Committee's determination was the level of deduction required for the modernised

bathroom. The Committee took the view that an annual equivalent of £300 would be the correct figure rather than the £400 suggested by Mr Donald's submission. The Committee accordingly determined the fair rent should be £5,200 per annum.

23. Having determined the rent, the Committee then considered whether there should be any scarcity deduction in terms of Section 48 (2) of the 1984 Act. In his submissions to the Committee, Mr Donald had submitted that there should be no such deduction. The Committee agreed with his submission. The Committee, applying their own knowledge, skill and experience could find no evidence of excess demand for properties such as the one under inspection and noted also that there were a number of properties available for rent in the locality of the subjects. The Committee accordingly determined that there was no significant scarcity of properties.
24. Having considered all the relevant factors, the Committee decided a fair rent for the property at Flat 1/1, 98 Raeberry Street, Glasgow, G20 6EG should be £5,200 per annum. The Committee decided that this rent should apply from the date of the determination being 27<sup>th</sup> April 2012. In reaching this decision the Committee have had regard to all of the considerations required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.
25. The decision of the Committee was unanimous. This decision takes effect from 27<sup>th</sup> April 2012.

**J Bauld**

Signed  .....

Date *9 May 2012* .....

James Bauld, Chairperson

**N Walker**

Signature of Witness.....

Date *9 May 2012* .....

Name: *NATALIE WALKER*

Address: 7 West George Street, Glasgow, G2 1BA

Designation: Senior Court Administrator