



PRIVATE RENTED HOUSING PANEL

HOUSING (SCOTLAND) ACT 1988 SECTION 25(1)

Register Of Rents Determined Under Statutory Assured Tenancies

REFERENCE NO.

RAC/PA16/A47

APPLICATION RECEIVED

1 June 2007

ADDRESS OF PREMISES

56 Kelly Street, Greenock, PA16 8TT

TENANT

Miss Morris

NAME AND ADDRESS OF LANDLORD

Morrison Walker Property Management Ltd.
23 Patrick Street
Greenock
PA16 8NB

AGENT

N/A

RENTAL PERIOD

Monthly

DATE TENANCY COMMENCED

28 January 1990

DESCRIPTION OF PREMISES

Modernised ground floor traditional tenement flat circa 1900 with double glazing and gas central heating comprising living room, bedroom kitchen and dark bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
PROFFESIONAL MEMBER
LAYMEMBER

Mr AS Cowan LLB(Hons) Dip LP
Mr G Campbell FRICS
Mr J Riach

PRESENT RENT

£ 247.50 p.c.m. (£ 2970.00 p.a.)

RENT DETERMINED

£ 296.40 p.c.m. (£ 3556.80 p.a.)

DATE CONSIDERED

23 October 2007

DATE DETERMINATION TAKES EFFECT

23 October 2007

A Cowan

Chairman of Private Rented Housing Committee

6/11/07

Date

Private Rented Housing Panel

Statement of reason for the decisions following a reference to the Private Rented Housing Panel under Section 24 of the Housing (Scotland) 1988

Subjects:

Flat G/1, 56 Kelly Street, Greenock

Introduction

1. This is a reference to the Private Rented Housing Panel (formerly known as the Rent Assessment Panel), in respect of properties situated at Flat G/1, 56 Kelly Street, Greenock, ("the property"). The Tenant of the property is Ms A. Morris who has been represented throughout the application process by Mr Stephen Butler of the Citizens Advice Bureau, 36 Boyd Street, Largs. The Landlords are Calkton Ltd, and the Landlord agents are Morison Walker Property Management Limited, 23 Patrick Street, Greenock, PA16. The Tenant has occupied the property since 1990.

On 4 April 2007 the Landlord served a Notice on the Tenant under Section 24 (1) of the Act proposing an increase in rent from £247.50 per month to £296.40 per month. The Tenant timeously objected to that proposed increase by referring the proposed rent increase to the PRHP. The Tenant has indicated that, in her view, the proposed increase in rent is too high.

Inspection

On 23rd October the Committee, accompanied by Mr Robert Shea (clerk to the committee) inspected the property. The Tenant and the Tenant's representative Mr Butler of the Citizens Advice Bureau were both present at that inspection. Neither the Landlord nor their agents were present at that inspection.

Description

The property comprises a one bedroom flat on the ground floor of a traditional tenement building constructed of stone around 1900. The accommodation comprises a Hall, Bedroom, Living room, Kitchen and Bathroom. The property was refurbished as part of a comprehensive tenement major refurbishment carried out under the instruction of a local Housing Association. It is understood that the renovations were carried out approximately 5-6 years ago. The tenement refurbishment included substantial upgrade works to the exterior of the property (including the common back court area). Internally the property was upgraded whereby a new bathroom was installed. At the same time gas central heating was installed together with double glazed windows throughout the property. Overall the refurbishment works appear to have been carried out to a good standard. The property is located in a private residential area in Greenock. It has reasonable access to local shops and amenities. The property is let unfurnished and under the terms of the lease the Tenant is responsible for internal repairs and decoration. The Tenant has not made any significant improvements to the property. The property benefits from a neat and tidy common rear garden and bin storage area.

Documentation

The Committee had before the following documentation:

1. Copy Tenancy Agreement
2. Copy Notice to Quit dated 3 April 2007
3. Copy form AT2 signed by the Landlord dated 4 April 2007
4. Copy form AT4 signed by the Tenant and dated 29 May 2007
5. Form and written submissions from the Landlord's agent dated 25 June 2007.
6. Form and written submissions from Tenant dated 3 July 2007

Hearing

The Tenant requested that a hearing take place. A hearing was held within the property immediately following the Committee's inspection. At the hearing it was explained to the Tenant and the Tenant's representative that the Committee was required to determine a market rent for the subjects by applying the terms of the Housing (Scotland) Act 1988, and in particular Clause 25. It was explained that the Committee are required to determine the rent at which, subject to certain assumptions in section 25(1) to (3), the Committee considers that the property might reasonably be expected to be let on the open market by a willing Landlord under an assured tenancy.

The Tenant indicated to the Committee that she accepted that the Landlord had the right to increase the rent and that a modest increase would be appropriate. The Tenant was of the view that any increase in rent in line with inflation (or a modest percentage above the current inflationary rate) would, in her view, be a fair and acceptable increase in the rent.

The Tenant also indicated that they understood from a neighbour who occupied a similar flat on the ground floor in the same street, that the current rent paid by that friend was £211 per month. It was understood that the Landlord of that property was a local Housing Association. The Tenant accepted that this rent was not comparative with her own rent as it was understood that the Housing Association subsidised the market rent for that particular property.

Decision

The Committee noted that the property was in relatively good condition having recently been refurbished and fitted out with double glazing and gas central heating.

Neither the Tenant nor the Landlord provided the Committee with any useful information on comparable rents for other similar properties to that occupied by the Tenant. In their written submissions, the Landlord indicated that the proposed rent was most reasonable and comparable with rentals for similar properties in the immediate vicinity. The Landlords, however, provided no details with regard to any of these properties. The Committee did not consider that the Housing Association property referred to by the Tenant was a useful comparator. From their own experience the Committee knew that the Housing Association rents were likely to be suppressed and were not likely to be indicative of true market rents in the locality of the subjects.

The Committee did not consider that the Tenants' submissions as to a "fair" increase were matters which they could usefully found upon when fixing the market rent for the property.

Through their own investigations, and using their own experience the Committee, identified a number of similar sized properties which were currently for rent in the locality of the subject. The asking rents for those properties ranged from between £320 per month to £450 per month. In particular the Committee noted that there was another ground floor flat of a similar size to the property, and which was situated close to the property, where the Landlord was asking for a rent of £325 per month. The Committee considered that that property was a useful comparator although allowance would require to be made for the fact that this comparable property was to be let with various white goods installed and the fact that this property had a separate toilet. The Committee were of the view that the rents sought by Landlords when advertising property to let were often higher than the rent actually set at the commencement of the Tenancy for those subjects. The Committee further noted that the Landlord had applied for the rent to be increased to £296.40 per month and that they considered this to be a fair market rent for the property.

Taking account of the Committee's own research in to likely rentals within the area for comparable properties, and having regard to the fact that the property was unfurnished the Committee accepted that the sum proposed by the Landlord as the increased rent was a reasonable market rent for the property.

In all the circumstances therefore the Committee considered that the market rent for the property would appropriately be fixed at £296.40 per month being £3556.80 per annum. In reaching this decision the Committee had full regard to the statutory requirements of the Act.

This rent increase shall take effect from the date of this Committee's decision, 24th October 2007. The Committee were satisfied that fixing the rent for the date proposed in the Landlord's notice would cause undue hardship to the Tenant who is on a modest income and apparently without any substantial means with which to pay any backdated rent increase.

A Cowan

Andrew Cowan, Solicitor, LLB (Hons); DipLP.
Chairman of the Private Rented Housing Committee