



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G3/836	23 November 2011	Landlord

ADDRESS OF PREMISES

1/1, 54 Scott Street, Glasgow, G3 6PR,

TENANT

Mr H English

NAME AND ADDRESS OF LANDLORD

Donald McCorkindale's Trust

AGENT

Hacking & Paterson
1 Newton Terrace
Glasgow
G3 7PL

DESCRIPTION OF PREMISES

Traditional first floor tenement flat C.1900 comprising 2 rooms, living kitchen and bathroom.

Internal floor area is approximately 70 square metres.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

D Preston LLB
M Links FRICS
C Harvey

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4,600.00 p.a.	3 February 2012	3 February 2012

D Preston

.....
Chairman of Private Rented Housing Committee

.....
Date

6/2/12

Determination and Reasons

PRIVATE RENTED HOUSING PANEL

HELD ON: 3 FEBRUARY 2012

PROPERTY: 1/1,54 SCOTT STREET, GLASGOW

Background

1. 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 landlord, Donald McCorkindale's Trust, in relation to property at 1/1, 54 Scott Street, Glasgow ("the Dwellinghouse").
2. The registered rent (effective from 27 October 2011) was £3,170.73. It was submitted (on behalf of the landlord) that the rent for the Dwellinghouse should be £5,500.00 per annum. It was drawn to the Committee's attention that the fair rent assessed by the Private Rented Housing Panel on 19 December 2008 had been £3780.00 and that the assessment by the Rental Valuation Officer on 27 October 2011 represented a reduction in rent of 16%. It was further suggested that the rent registered was incorrect due to inconsistencies in information from their new computer system. The Landlord had been advised that having registered the rent, even in error, the Rent Service was unable to make any amendment to it. The reference arises from the dissatisfaction expressed on behalf of the landlord.

THE EVIDENCE

3. The Committee had the following documents before it:
 - Rent Register documents,
 - Representations on behalf of the landlord.
 - Decision of the Private Rented Housing Committee dated 19 December 2008.

The Committee also had details of comparable properties and details of average rental figures in Glasgow and in the locality. The Committee took account of all these documents and used their knowledge and experience in determining a fair rent.

4. The landlord's agents had previously intimated that they did not intend to attend a Hearing. The Tenant had indicated an intention to attend, but indicated that he no longer wished to do so. He advised the Committee after the inspection that he had continued to pay the rent as assessed in December 2008.

THE INSPECTION

5. Mr Iain MacLean, Clerk to the PRHP, introduced the Committee (David Preston, Chairman, Mike Links, Surveyor and Chris Harvey, Housing Member) to the tenant at the inspection of the Dwellinghouse which took

place on 3 February 2012. The landlord was not represented at the inspection.

DESCRIPTION OF THE DWELLINGHOUSE

6. The Dwellinghouse is a first floor flat in a block of tenement flats located in a well established area close to the city centre and to shops, schools, leisure facilities, restaurants and other amenities. The tenant has access to a small communal drying area to the rear of the Dwellinghouse. The Dwellinghouse is conveniently located for public transport.
7. 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 tiled. There was evidence of settlement which had occurred over the years and in respect of which structural stabilising beams have been inserted about 20 years ago. There was no evidence of recent settlement.
8. There is a security door on the close. The close, stairs and landings were clean and tidy. The Committee noted that the previous decision indicated that the Dwellinghouse appeared to have a modern electrical system. However the Committee disagreed with this and noted that the tenant had installed surface wiring and the fuse box appeared elderly. All windows were single glazed. The Dwellinghouse does not have central heating and is heated by electric fires and radiators in the rooms. All furniture is supplied by the tenant. The Dwellinghouse is well decorated. No services are provided by the landlords.
9. The Dwellinghouse, which extends to 70 square metres comprises: living room, bedroom, "dining kitchen" and bathroom. The front door opens to a spacious hallway. The living room, bedroom, kitchen and bathroom are located off the hallway.
10. The bathroom has a WC, wash hand basin and bath with shower over, all supplied and installed by the tenant.
11. The tenant has provided fixtures and fittings throughout including all units and fittings in the kitchen. Water is heated by an immersion heater and a new water cylinder had recently been installed following leakage from the old one.
12. The living room has a recess cupboard and a bay window.

DECISION AND REASONS

13. 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.

14. 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.

15. 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 comparable 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

16. No Valuation Report or other evidence was available to the Committee. The Committee decided it was not appropriate to proceed on the basis of capital values.

Comparable registered rents

17. As indicated, the Committee had before it details of comparable properties. The first of these was a tenement flat at 3/1, 57 Rose Street, Glasgow. The Tenant advised that he was familiar with the property and it was very similar to the Dwellinghouse having the same accommodation. The Committee noted that the annual rent of £4,300 had been registered on 20 January 2011 for this property. The Committee considered that there would have been an increase in the rent over the past 12 months.

18. The Committee also had the determination of the Private Rented Housing Committee dated 3 October 2011 in respect of a property at B/R, 45 Bentinck Street, Glasgow G3 7TS. The rent for this property with the same accommodation, although 5 square metres smaller, had been determined at £5,500. However this property was located adjacent to Kelvingrove Park and enjoyed superior amenities in the locality.

Market rents

19. The Committee gave consideration to open market rents in establishing a fair rent for the Dwellinghouse. In doing so the Committee recognised that it would be necessary to review what might be an appropriate deduction for scarcity and to make any other appropriate deductions (if any).
20. 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 in Garnet Street, Buccleuch Street, New City Road, and Clarendon Place were available for rents between £495 and £595 per month. It was noted that these flats were equipped with modern kitchen and bathroom fittings, double glazing and central heating.
21. The Committee considered the information available from the City Lets Quarterly Reports which indicated that the average monthly rent for one bedroomed flats in postcode area G3 is £530.
22. The Committee using its knowledge and expertise of market rents in the area considered that a fully modernised traditional flat similar to the Dwellinghouse in a similar area would be likely to achieve an open market rent of £525 per month ie £6300 per annum.
23. 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 to let through local estate agents.
24. The Committee considered that a number of deductions from the rent should be made to take account of the lack of kitchen and bathroom fittings and fittings, the lack of any white goods, the lack of central heating, double glazing and carpets, the apparent age and condition of the electrical wiring and the lack of decoration provided by the Landlord.
25. In total, the deductions to be made were assessed by the Committee at £1700
26. In all the circumstances and having regard to all the evidence available to it, the Committee concluded that a fair rent for the flat 1/1, 54 Scott Street, Glasgow should be £4600, ie £383.33 per month.
27. The decision of the Committee was unanimous and will take effect from 3 February 2012.

D Preston

.... Chairman

.....6/2/12..... Date