





PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G51/850		Landlord

ADDRESS OF PREMISES

2/L 12 Percy Street, Glasgow , G51 1NY,

TENANT

Ms J MacLeod

NAME AND ADDRESS OF LANDLORD

Scottish Prudential Investments Co Ltd

AGENT

Hacking & Paterson
1 Newton Terrace
Glasgow
G3 7PL

DESCRIPTION OF PREMISES

Large 3 bedroomed top floor flat built c.1900 of blond sandstone and tile construction.

Approximate floor area is 130 square metres

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

D Preston LLB
C Jones MRICS
C Harvey

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4,625 p.a.	2 July 2012	2 July 2012

D Preston

Chairman of Private Rented Housing Committee

Date

13/7/12

**STATEMENT OF REASONS
BY PRIVATE RENTED HOUSING COMMITTEE**

In connection with
INSPECTION HELD ON 2 JULY 2012
Of the property at
Flat 2/1, 12 Percy Street, Glasgow, G51 1NY

The Parties

The Landlord of the property is Scottish Prudential Investment, 6, New Street, Paisley PA3 2AD, per their agents, Hacking & Paterson Management Services, 1 Newton Terrace, Charing Cross, Glasgow G3 7PL

The Tenant is Ms Janette MacLeod who resides at the property address. The Tenant was represented in the application and correspondence by Govan law Centre, Orkney Street Enterprise Centre, Units 4 & 6, 18-20 Orkney Street, Glasgow G51 2BZ.

The tenancy is a regulated tenancy in terms of the Rent (Scotland) Act 1984.

Background

Prior to the assessment by the Rent Officer on 20 March 2012 the rent of the property was £3,600 per annum (£300 per calendar month). The Landlord proposed an increased rent of £5,500 per annum (£458.33 per calendar month). The rent officer determined a rent of £3,760 per annum (£313.33 per calendar month) with effect from 20 March 2012. The Landlord appealed that determination to the Private Rented Housing Panel ("PRHP).

The Inspection

1. The Private Rented Housing Committee comprised: David Preston, Chairman, Ms Carol Jones, Surveyor member and Chris Harvey, Housing member. The Tenant was present throughout the inspection. She appeared distressed by the procedure and had a number of concerns about her situation which lay out with the jurisdiction of a Committee convened in terms of the Rent (Scotland) Act 1984 (hereinafter referred to as "the 1984 Act").
2. The subject property is situated within a three storey blonde sandstone tenement block with a tiled roof. The property is situated on the second floor and comprises living room, three double bedrooms, bathroom, dining kitchen and large hall. All rooms and the hall are spacious with a gross internal floor area amounting to approximately 130 square metres.

3. The property has no central heating system. Heating is by electric heaters provided by the Tenant. The Tenant reported that there had been a gas fire in the kitchen but this had been removed along with the gas cooker following disconnection of the gas supply approximately two years ago.
4. The windows in the living room and the front bedroom have secondary double glazing which had been installed by Glasgow City Council at the time of the construction of the nearby M8 motorway. Replacement upvc double glazed units had been installed in the kitchen and one of the rear bedrooms. The other windows were single glazed with what appeared to be the original sash and case timber frames. There was a secure door entry system. The property is reasonably located for public transport links and local shops and services are available on Paisley Road West which is a short distance away. The M8 motorway passes within 100 metres of the property.
5. At the time of the installation of secondary double glazing by the Council, it had also installed an electric ventilation system in the lounge.
6. The property was in need of extensive decoration throughout. The Tenant's had installed the fitted cupboards in the kitchen which appeared to be of some considerable age.
7. The current rent of the property is £3,600 per annum. The Landlord proposed an increased rent to £5,500 per annum. The rent officer determined a rent of £3,760 per annum with effect from 20 March 2012. The Landlord appealed that determination to the Private Rented Housing Panel ("PRHP").

The Hearing

Neither party indicated that they wished to attend a Hearing. Accordingly the members of the Committee considered matters after the inspection within the offices of the Private Rented Housing Panel at Europa Building, 450 Argyle Street, Glasgow. The Committee members had before them:

- The Landlord's application form for registration of rent,
- The relevant entry from the Rent Register page,
- The Rent Officer's Determination dated 20 March 2012.
- Letter of representation from the Landlord's agents dated 23 March 2012.
- Letters from Govan law Centre on behalf of the Tenant dated 20 April and 16 May, both 2012.

The Decision

1. The Committee considered all of the documents provided. The Committee members had also obtained details of other properties available for leasing in the area from internet advertisements. The Committee also noted during the inspection that a ground floor property in the same close was indicated as

available for letting.

2. The Committee was mindful of Section 48(1) of the 1984 Act 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 properties in the area as well as having regard to the age, character and locality of the dwelling house in question.
3. The Committee was also required to assume that, in terms of Section 48(2) of the 1984 Act "the number of persons seeking to become the tenant of similar dwelling houses in the locality on the terms (other than those relating to rent) of a regulated tenancy is not substantially greater than the number of dwelling houses in the locality which are available for letting on such terms.
4. In their letter of representation on behalf of the Landlords, Hacking & Paterson referred to comparative rental properties in Paisley Road West at £8340 p.a. (£695 p.c.m) and £7200 p.a. (£600 p.c.m.) and in Middleton Street at £6,600 p.a. (£550 p.c.m.). Capital valuations were produced being two 2 bedroomed flats in Cessnock Street and Plantation Park Gardens at offers over £95,000 and £85,000 respectively. No further details of any these properties were provided to enable the Committee to consider any direct comparison so the Committee found this information to be of limited value in its deliberations.
5. In their letter of 16 May on behalf of the Tenant, Govan Law Centre referred the Committee to a property at Burghead Place, Govan, a 3 bedroomed flat at a rent of £5,400 p.a. (£450 p.c.m.) and a Zoopla estimate of rental value for the subject property in the range £336-£405 p.c.m. By way of capital valuations they referred the Committee to a 2 bedroomed flat for sale in Percy Street at an asking price of offers in excess of £67,500 and a Zoopla estimate of value for the subject property in the sum of £82,180.
6. The letter from Govan Law Centre also made reference to the Repairing Standard under the Housing (Scotland) Act 2006 ("the 2006 Act") and suggested that the Committee should regard it as grossly unreasonable for the Landlord to take steps to increase the rent without taking any steps to fulfil their duties as a landlord. It is not for the Committee, dealing with an application under the 1984 Act to have regard to the Repairing Standards as defined in the 2006 Act when reaching a determination. It is open to the Tenant to take steps under the 2006 Act in that regard. Since the Tenant has a remedy in respect of the repairing standard as defined in the 2006 Act it is not open to the Committee to have regard to the condition of the property except as provided for in this decision.
7. The Committee found that the range of rents for 3 bedroomed flats within the general area ranged from £550 p.c.m. to £600 p.c.m. (£6,600 to £7,200 p.a.). The comparative rents related to flats in various areas of Cessnock / Ibrox including Percy Street, Clifford Street, Copland Road, Langshot Street, Harley Street and Lorne Street. The Committee, exercising its knowledge and expertise took the view that a fair market rent for a fully modernised flat having all of the improvements and standards expected of a modernised flat and of a similar size and location as the subject property would be £600 p.c.m or £7,200 p.a. The Committee noted that the comparison at Langshot Street was a recent decision of a Private

Rented Housing Committee in respect of a property which, although in close proximity had a larger floor area and was situated on the ground floor as opposed to the subject property which is a top floor flat.

8. In regard to the capital value of the subject property the Committee considered the comparative values of the properties provided by the parties. The subject property appears to be in need of appreciable structural attention, at least to sandstone mullions. It also has problems with the roof and would require extensive modernisation making any valuation highly speculative. Accordingly the Committee concludes that a reasonable valuation of the property might be in the region of £75,000 - £80,000 which, at a return of 6% would produce a rental figure of around £4,500 - £4,800 p.a. (£375 - £400 p.c.m).
9. The Committee further determined that the subject property was let as unfurnished. It did not benefit from central heating, any white goods or carpets supplied by the Landlord. The Committee also determined that the kitchen and bathroom fittings were not of a modern standard, the wiring within the property was generally old, generally the property was fitted with single glazed sash and case windows and was in need of decoration throughout. The Committee therefore considered that reasonable deductions were required to reflect the difference between the subject property and the market rent for a modernised flat of the same size and in the same location.
10. The Committee considered that the cost of supplying appropriate carpets and floor coverings, appliances and white goods, upgrading the bathroom and kitchen, installing central heating, replacing most of the windows, re-wiring and decoration would incur capital expenditure and, having due regard to the comparative size of the flat, the Committee considered that this justified a reduction from the assessed market rent of approximately £2,575 p.a. (£214.50 p.c.m.). Accordingly the Committee took the view that the appropriate market rent for the property would be £4,625 p.a. (£385 p.c.m) being the market rental level for a modernised flat under deduction of the various works required to reflect the differences between such a modernised flat and the property under inspection and taking into account the other factors mentioned.
11. Having determined the market rent, the Committee then considered whether there should be any deduction for scarcity in terms of Section 48(2) 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 property under inspection and the Committee also noted 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.
12. Having considered all of the relevant factors the Committee decided that a fair rent for the property at Flat 2/1, 12 Percy Street, Glasgow, G51 1NY should be £4,625 per annum.
13. 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 1984 Act.

This decision takes effect from 2 July 2012.

D Preston

CHAIRMAN

13/7/12