



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/PA15/820	5 August 2011	Landlord

ADDRESS OF PREMISES

2/1, 22 Bank Street, Greenock, PA15 4PH

TENANT

Mr McCulloch

NAME AND ADDRESS OF LANDLORD

Calkton Ltd

AGENT

Morrison Walker
Property Management
23 Patrick Street
Greenock
PA16 8NB

DESCRIPTION OF PREMISES

Modernised traditional second floor tenement flat circa 1890 with double glazing and gas central heating comprising three rooms, kitchen and bathroom.

Floor area = 73.6 square metres

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

Mrs J Taylor LLB Dip LP NP
Mrs S Hesp
Mr C Harvey

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4680.00 p.a.	29 September 2011	29 September 2011

J Taylor

Chairman of Private Rented Housing Committee

12th October 2011

Date



STATEMENT OF REASONS

in connection with

THE INSPECTION HELD ON 29th September 2011

in relation to the property

Flat 2/1, 22 Bank Street, Greenock.

1. BACKGROUND

The Landlord is Calkton Limited, care of Morison Walker, 23 Patrick Street, Greenock.

The Tenant is Mr Wilson J McCulloch. He has been a tenant of the property since 1955. His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2776 per annum. The Landlord applied for the rent to be increased to £3900.00.

The Rent Officer registered a rent of £3331.20 per annum with effect from 22nd July 2011. The Landlord referred the determination to the Private Rented Housing Panel ('PRHP').

2. THE INSPECTION

The committee inspected the property, which is an improved second floor flat in a four storey, traditional blonde sandstone tenement, which dates from circa 1890. The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past.

The accommodation comprises two bedrooms, large living room, kitchen and bathroom. The windows throughout the property are double glazed and central heating has been installed. The Tenant advised that the property had been refurbished approximately three years ago.

The floor area of the property is approximately 73.6 square metres.

There is a communal area at the rear of the tenement. The property is conveniently situated for public transport and local services.

4. THE HEARING

No hearing had been requested by the parties.

5. THE DECISION

The committee had the following documents before them:-

- A copy of form RR1, the Landlord's application for registration of the rent.
- Written representations from the Landlord which state:-

'The rent applied for in this case amounted to £3900 per annum or £325 per calendar month. The rent awarded is £3331 per annum or £277.58 per calendar month.

This property has been fully refurbished and is well maintained by Cloch Housing Association who own most of the flats within the property.

We have evidence of a similar flat at 29 Bank Street being sold for £82059 in February 2010, suggesting that the rent awarded does not represent a reasonable return on the capital invested, especially when consideration is given to the cost of maintaining and insuring the property, costs which the landlord has to meet.

In addition we have evidence of a 1 bedroom flat in Wellington Street on offer at £365.00 per calendar month and a 1 bedroom flat in Lyndoch Street on offer at £340 per calendar month. Both of these flats are similar in size and in a less desirable area and property than the 22 Bank Street flat.

We would suggest that a rent of at least £325 per calendar month is not unreasonable.'

- The decision of the PRHP dated 21st June 2011 which determined the following rents:-

Address	Accommodation	Rent	Notes	Effective Date
2/2, 61 Nicholson Street, Greenock	2 rooms kitchen and bathroom	£3240	Improved property. Double Glazing and Electric heating. Floor area 39 sq m	16 th March 2011
3/3, 61 Nicholson street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Central Heating. Floor area 50 sq m	16 th March 2011
1/1, 46 Inverkip Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas Central heating. Floor area 75 sq m	16 th March 2011
0/2, 7 Brachelston Street, Greenock	2 rooms kitchen and bathroom	£3600	Improved property. Double Glazing and Electric heating. Floor area 50 sq m	16 th March 2011
1/1, 8 Murdieston Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and	16 th March 2011

			Gas central Heating. Floor area 50 sq m	
1/1, 12 Murdieston Street, Greenock	3 rooms kitchen and bathroom	£4200	Improved property. Double Glazing and Gas Central Heating heating. Floor area 53 sq m	16 th March 2011
0/1, 69 Dempster Street, Greenock	3 rooms kitchen and bathroom	£4680	Improved property. Double Glazing and Gas Central heating. Floor area 64 sq m	16 th March 2011
1 / 2, 69, Dempster Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas Central heating. Floor area 50 sq m	16 th March 2011
1 / 1, 71, Dempster Street, Greenock	2 rooms kitchen and bathroom	£4680	Improved property. Double Glazing.	16 th March 2011
2/1, 71 Dempster Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas Central heating. Floor area 50 sq m.	16 th March 2011

The committee considered the documents provided.

The committee were mindful of the terms 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 experience of current rents of comparable property in the area, as well as having regard to the age, character and locality of the dwelling house in question and to its state of repair and, if any furniture is provided for use under the tenancy, and to the quantity, quality and condition of the furniture'. Also section 48(2) which requires them to 'assume that the number of persons seeking to become tenants of similar dwelling- houses in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling- houses which are available to let on such terms.'

The committee carefully considered which of the three methods of assessing the rent was appropriate in this case. The three recognised methods used in Scotland are (1) determining the fair rent by reference to comparable registered rents in the area. (2) determining the fair rent by reference to market rents of comparable properties allowing for appropriate deductions for scarcity and (3) determining the fair rent by reference to the anticipated annual return based on the capital value of the

property. None of these methods is the primary method. The appropriate method depends on the facts and circumstances of each case.

The committee considered the evidence of capital valuations and rental evidence provided by the Landlord's agents. No details of the particular features of the properties were provided and therefore the committee found this evidence to be of limited value.

The committee from its own experience, knowledge and the information it had obtained from the internet acknowledged that the rentals of one bedroom properties in the Greenock area ranged from £350 to £400 per month and the rentals of two bedroom properties in the Greenock area ranged from £400 to £475 per month. The committee acknowledged that the PRHP decision dated 21st June 2011 stated that the range of rents for one bedroom properties in the Greenock area were £365 to £375 per month and two bedroom properties in the Greenock area were £400 to £500 per month. Therefore the committee acknowledged that the PRHP decision dated 21st June 2011 still reflected the current market rents of comparable properties in the Greenock area.

As stated the committee had obtained details of the market rents of many other similar sized properties available to lease in the area from the internet. In light of this evidence and the PRHP decision dated 21st June 2011, referred to above, the committee considered that the method of using comparable market rents was the best evidence available and proceeded to assess the rents of the properties using this method. The committee also acknowledged that there is a plentiful supply of similar properties to rent in the area and therefore there is no scarcity of supply of such properties at this time.

The committee considered the evidence of market rents in the PRHP decision dated 21st June 2011 to be the best evidence available. In particular the committee considered the rental evidence of the property 0/1, 69 Dempster Street, Greenock to be of particular assistance.

Having taken all the relevant factors into account the committee determined that the fair rent for this property is £4680 per annum.

In reaching this decision the committee have had regard to all the considerations required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.

This decision takes effect from the Twenty Ninth day of September Two Thousand and Eleven.

..... **J Taylor**

Chairperson, ~~7th~~ October 2011