

RENT ASSESSMENT PANEL FOR SCOTLAND

RENT (SCOTLAND) ACT 1984

NOTIFICATION OF DECISION BY THE RENT ASSESSMENT COMMITTEE

REFERENCE NO.	OBJECTION RECEIVED	OBJECTION
RAC/G40/456	16 November 2006	Tenant

ADDRESS OF PREMISES

19 Kinnear Road, Glasgow, G40 3JS

TENANT

Mr D Miller

NAME AND ADDRESS OF LANDLORD/AGENT

The new H.A., 2 Main Street, Bridgeton, Glasgow, G40 1HA

DESCRIPTION OF PREMISES

Modern brick and tile mid terraced two storey house with electric central heating and double glazing, comprising on ground floor two double bedrooms, bathroom on half landing and large living room and kitchen on upper floor.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mr R Handley LLB
PROFESSIONAL MEMBER	Mr A English FRICS
LAY MEMBER	Mr C Harvey

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4200.00 per annum	30 January 2007	8 November 2006

R Handley

Chairman of the Rent Assessment Committee

30/1/07
Date

RENT ASSESSMENT COMMITTEE

STATEMENT OF REASONS

PROPERTY: 19 KINNEAR ROAD, GLASGOW

RENT ASSESSMENT COMMITTEE

HELD ON: 30 JANUARY 2007

PROPERTY: 19 KINNAR ROAD, GLASGOW

STATEMENT OF REASONS

Introduction

This is a reference to the Rent Assessment Committee for the determination of a fair rent under the Rent (Scotland) Act 1984 by the tenant, Mr Duncan Miller, of the property at 19 Kinnear Road, Glasgow ("the dwellinghouse"). The landlord is The new Housing Association, 2 Main Street, Bridgeton, Glasgow, G40 1HA. The original rent paid by the tenant was £2,350 per annum (£195.83 per month). The landlord applied for a rent of £266.92 per month (£3,203.04 per annum). The Rent Officer determined a rent of £272.92 per month (£3,275.04 per annum).

The tenant attended the inspection. The landlord did not attend the inspection.

The tenant requested a Hearing and he and representatives of the landlord attended the Hearing.

The Documentation

The Committee had the following documents before it: the RR1 Application, the tenant's objection, Rent Register pages, the tenant's written submissions and the landlord's written submissions (with attachments). The Committee also had details of three comparable properties. At the Hearing the landlord's representative produced a document entitled "Rent Points 2007/08" and the tenant produced a handwritten note entitled "Kinnear Road". A copy of this evidence was made available to each party.

The Inspection

Mr Robert Shea, Clerk to the Rent Assessment Committee, introduced the Committee to the tenant. The tenant was present throughout the course of the inspection.

The Tenant drew the attention of the Committee to a number of improvements he had carried out to the dwellinghouse, including enhancements to the kitchen, the living room and the bathroom. The tenant explained that the cost of heating the dwellinghouse was high. The tenant also confirmed that he supplied all furniture and that no services are provided by the landlord.

At the conclusion of the inspection the tenant confirmed that he wished to attend the Hearing.

The Dwellinghouse

The dwellinghouse is located at 19 Kinnear Road in the Dalmarnock area of Glasgow and is a mid terraced house built around 1990. The walls are brick and the roof is tiled. The dwellinghouse has full double glazing and electric central heating. The tenant has the exclusive use of a small front garden and a larger rear garden, both of which are maintained by the tenant. The dwellinghouse is generally well maintained.

The front door opens to a vestibule and hallway, off which are two double bedrooms, the smaller one facing to the front and the larger (main bedroom) one to the rear. The main bedroom has a built in cupboard.

A stairway leads to the bathroom (situated half way up the stair and facing the rear of the dwellinghouse). The bathroom has a WC, wash hand basin and bath (with shower provided by the tenant).

The living room is situated on the first floor. The living room has two windows facing the front of the dwellinghouse. The living room is heated by an electric fire provided by the tenant.

The kitchen is situated off the living room and contains units, a sink and an electric cooker (provided by the tenant). There are adequate electrical points.

The Hearing

The Chairman introduced the Committee to the parties and reminded them that three comparable properties were before the Committee. The Chairman also reminded the tenant of the terms of his written submissions which made reference to the lack of double glazing and central heating in the dwellinghouse. The tenant was advised by the Chairman that the dwellinghouse was indeed double glazed and did have electric central heating (although it was noted that the tenant stated that this was expensive to operate). The tenant told the Committee that he was aware that the landlord had built a number of new properties and a three bedroom apartment with utility room, shower room and bathroom was available for rent at £280 per month. Moreover it was explained that these properties had gas, electricity and central heating.

The landlord's representatives referred the Committee to their Rent Policy (which was before the Committee). It was explained that the revised Rent Policy would benefit tenants whose properties were heated by electric central heating (as confirmed by the documents produced at the Hearing).

Decisions and Reasons

Section 48 of that 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 committee, 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.

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.

The Committee noted that no service charge was made and no services provided.

As indicated, the Committee had details of three recently registered rent decisions. These related to properties at 24 Gear Street, 19 Mill Crescent and 59 Mill Crescent, all Glasgow. However the Committee noted that The new Housing Association was the landlord of all three properties and the rents would have been calculated in accordance with the landlord's Rent Policy. Consequently the Committee concluded that it could not use these properties as comparables. Similarly the "new builds" referred to by the tenant at the Hearing could not be used as a comparable.

Neither party 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.

The Committee considered that to establish a fair rent it was appropriate to compare open market rents and thereafter review what might be an appropriate deduction for scarcity.

From its own experience, knowledge and from the information available in the Property Departments of local Estate Agents, the Committee was of the opinion that a fully furnished two bedroom apartment would be available for rent of around £475 per month ("the market rent").

The Committee was of the opinion that the condition of the dwellinghouse was such that no adjustment in the market rent would have to be made on account of any defects. The Committee was also of the view that there was minimal scarcity in relation to properties similar to the dwellinghouse and in a similar location.

However the Committee considered that a number of deductions should be made to take account of various factors,

Thus:

Market rent (per month)	£475
Less allowance - furniture	£50
Less allowance - carpets white goods etc	£25
Less allowance - electric central heating	£10
Less allowance - market resistance to a bare house*	£40
	<u>£125</u>
	<u>£350</u>

* The Committee were of the opinion that there is a good supply of prospective tenants who would be willing to supply their own furniture for a part furnished house (landlord providing carpets and white goods). However, given the good supply of part furnished houses to let there would be few tenants who would be prepared to carpet a house at their own expense without receiving some reduction in rent level. The committee are of the opinion that a further deduction of approximately 10% from the net rent is appropriate.

Taking into account all the circumstances, which the Committee is required to take into account, the Committee concluded that a fair rent for the dwellinghouse would be £4,200 per year.

..... **R Handley** Chairman

..... 2/3/07 Date