



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
PRHP/RR/16/0319	3 August 2016	Tenant

ADDRESS OF PREMISES

Flat 1/1, 39 Boyd Street, Glasgow G42 8AG

TENANTS

Mr & Mrs D Noddings

NAME AND ADDRESS OF LANDLORD

AGENT

Govanhill Housing Association Limited
Samaritan House
79 Coplaw Street
Glasgow
G42 7JG

DESCRIPTION OF PREMISES

First floor flat in 4 storey red sandstone tenement under pitched and tiled roof.
The flat was spacious and comprised: living room; 2 bedrooms; hallway; dining/kitchen; internal bathroom with WC, bath and wash hand basin.
Approximate gross internal floor area 64 square metres. There are large cupboards off the hall, living room, and large bedroom, and two smaller cupboards off the hall adjacent to the large bedroom.

SERVICES PROVIDED

Maintenance of back court and door entry system and streetscape as per application form RR1 in respect of which the Landlord assessed a total of £97.35 p.a fair charge.

COMMITTEE MEMBERS

**CHAIRMAN
SURVEYOR**

David Preston,
Carol Jones

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£4377.36 pa (£364.78 pcm)	24 November 2016	19 September 2016

D Preston

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Chairman of Private Rented Housing Committee

30 November 2016

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Date

Determination and Reasons

PRIVATE RENTED HOUSING PANEL

HELD ON: 24 November 2016

PROPERTY: Flat 1/1, 39 Boyd Street, Glasgow G42 8AG

Background

1. This was a reference to the Private Rented Housing Panel ("the PRHP") for determination of a fair rent under the Rent (Scotland) Act 1984 by the tenant in relation to property at Flat 1/1, 39 Boyd Street, Glasgow G42 8AG ("the property").
2. By application dated 27 June 2016, the landlord applied to the Rental Valuation Office, for registration of a rent for the property, seeking a rent of £4,662.64 (£388.55pcm). A rent of £3639.07pa (£303.26pcm) had previously been registered on 19 September 2013. On 14 July 2016 the Rental Valuation Officer determined a rent of £4377.36pa (£364.78pcm) for the property to be effective from 19 September 2016. On 3 August 2016 the tenants intimated an appeal against that determination.

THE EVIDENCE

3. The Committee had the following documents before it:
 - Form RR1 together with rent calculation sheet
 - Rent Register documents,
 - Undated letter from the Tenant intimating the appeal.

The Committee obtained details of comparable properties in the G42 area of Glasgow and in particular the immediate locality of the property. The Committee took account of all these documents and used its knowledge and experience in determining a fair rent.

4. The tenants had requested a hearing, which was scheduled to take place in Wellington House, 134-136 Wellington Street, Glasgow G2 2XL at 11.30 following the inspection.

THE INSPECTION

5. The Committee inspected the property on the morning of 24 November 2016 in the presence of: Mr & Mrs Noddings, the tenants; and Ms Catherine McKiernan on behalf of the landlord.

DESCRIPTION OF THE DWELLINGHOUSE

6. The property was a first floor flat in a 4 storey red sandstone tenement block with a pitched and tiled roof. There was a security door on the close which, along with the stairs and landings, was clean and tidy and in

reasonable condition. All furniture, floor coverings, internal decoration and white goods and appliances had been supplied by the tenants. The landlord provided the door entry system, and maintained the communal ground to the rear.

7. The property, which extended to approximately 64 square metres (gross area), was well maintained and decorated and comprised: hall with large walk in cupboard off; living room with walk in cupboard containing electric "Dual Heat" central heating boiler; 2 bedrooms - the larger bedroom also had a large walk in cupboard; dining/ kitchen; internal bathroom with bath, wash hand basin and WC.
8. The front door opens to a hallway, off which all rooms were located. The kitchen was fitted with fairly modern wall and floor units which had been supplied by the landlord around 16 years ago. Heating and hot water were provided by an electric boiler with radiators throughout the property. The property was double glazed throughout, new windows having been installed c. 2013. The carpets and floor coverings throughout had been provided by the tenant.
9. It was reported to the Committee that the central heating had been installed approximately 20 years ago.
10. The tenement fronts Boyd Street some 50 yards from Cathcart Road, a main thoroughfare. Public transport and shopping are easily accessible and the property is well served with local amenities. The property is situated within the Govanhill area of Glasgow which has a negative reputation but it is located in a relatively more acceptable part of the district. The tenants however reported that in their view the immediate neighbourhood had deteriorated and while they did their share of cleaning the close and stair, others did not. They complained about the rubbish in the street which encouraged vermin and said they had seen mice inside the flat.

THE HEARING

11. Mr Noddings attended the hearing on behalf of the tenants along with Ms McKiernan on behalf of the landlord. Both parties made oral representations in amplification.
12. Ms McKiernan advised the Committee that Govanhill Housing Association owned a substantial housing stock which was held on various forms of lease, including Regulated and Assured tenancies. They had a policy of attempting to standardise the rents payable under their tenancies based on the size and amenity of the properties. They applied a formula based on the rental which they considered would be achieved on the open market if letting the property at the date of review. She said that the same formula was used for all of their properties. She also advised that the Rent Officer usually fixes rents lower than their proposed rents.
13. Ms McKiernan said that in general the fair rents of properties were lower than the rents of the Assured rentals.

14. Mr Noddings pointed to the landlord's Newsletter from Spring 2016 in which it was stated that the average rent for 3 apartment properties was £80.27 per week (£4174.04pa; £347.83pcm). He said that the landlord had sought a rent for the property at £4662.64pa (£388.55pcm), which had been assessed by the Rent Officer at £4377.36pa (£364.78pcm) both of which figures were in excess of the average rent.
15. The tenant also said that he had seen from the Rent Register that his neighbour's flat at 1/2 had been registered on the same date as the property in the sum of £4184.40pa (£348.70pcm). He said that the flats at 1/1 and 1/2 were both 2 bedroom flats. He maintained that the deterioration in the neighbourhood had resulted in vermin, which the property had not previously experienced, and said that he had seen mice in the property. He acknowledged that a pest controller had attended and steps were being taken by the landlord.
16. Ms McKiernan advised that flat Flat 1/1 had an internal floor area of 41 square metres while 1/2 had an internal area of 33 square metres. The second room in 1/2 was too small to be classed as a bedroom and was designated as a boxroom. She pointed out that in 2013 the rental level for 1/2 was £316.48pcm as opposed to that for 1/1 at £303.26 and therefore the rent had been less for the larger, 2 bedroom flat. However she also pointed out that the rent of the flat at 1/2 was phased and the tenant had not started paying £316.46pcm until 2014. The equalisation of the rents had subsequently resulted in 2016 with the rent for 1/1 being assessed at £364.78pcm and 1/2 at £346.26pcm.
17. Ms McKiernan advised the Committee that the two flats immediately above the property are the same size and layout and were let on Assured tenancies at rentals of £388.55pcm (£4662.60pa) set in April 2016 and due for review on a yearly basis, which was currently higher than the rental assessed by the Rent Officer for 1/1.
18. With regard to the vermin, Ms McKiernan advised that the landlords were aware of the problem and that steps were being taken through the use of a pest control specialist.
19. Apart from the information about rentals provided by Ms McKiernan, no evidence of comparable rents was presented to the Committee.

DECISION AND REASONS

20. Section 48 of the Rent (Scotland) Act 1984 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.

21. The Committee was mindful of its obligations in terms of section 48 of the Rent (Scotland) Act 1984, to fix a rent that is or would be a fair rent under a regulated tenancy. While having regard to the determination of the Rental Valuation Officer and the rent proposed by the landlord, it must apply its own determination based on the evidence available to it.

22. 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.

23. The Committee noted the rent proposed by the landlord in its application and as specified in the appeal was £4662.64pa (£388.55pm). The Committee was not provided a basis for the calculation of such a rent.

Comparable Registered Rents

24. The Committee noted the rent assessed by the Rental Valuation Office. No comparable registered rents were produced to the Committee, apart from the information relative to the Assured tenancies of the flats immediately above the property.

Market rents

25. The Committee gave consideration to open market rents in establishing a fair rent for the property. Neither party had provided the Committee with specific information or evidence about rents (either on the open market or under registered rents terms) which could be used as comparables. However as indicated, the Committee had before it details of comparable properties.

26. In particular, the Committee noted that there were a number of 3 apartment flats in: Calder Street; Allison Street; Dixon Road; Dixon

Avenue; Garturk Street; Bowman Street; Belleisle Street; and Westmoreland Street; all on the market at asking rents in the range of £450 to £550pcm. Generally these properties were fully furnished and modernised.

27. The Committee using its knowledge and expertise of market rents in the area and taking account of the fact that the property is unfurnished considered that a modernised flat similar in size and accommodation to the property enjoying the amenities provided in a similar area would be likely to achieve an open market rent at the lower end of the scale identified, ie £5400pa (£450pcm).

Capital value

28. No evidence was produced in relation to capital values or investment returns.
29. The Committee was of the view that there was no scarcity in relation to properties similar to the property in this locality.

Deductions

30. The Committee considered that the property did not benefit from any white goods or appliances. The property had been decorated by the tenants and all the floor coverings had been supplied by them. The bathroom and kitchen had been upgraded by the landlord but this was around 16 years ago and it was noted that the bathroom does not have a shower. The wiring was of some age and the central heating system was around 20 years old and could be regarded as being in need of upgrading. The Committee therefore considered that reasonable deductions were required to reflect the difference between the property and the market rent for a flat of the same size and in the same location.
31. The Committee considered that the cost of: appropriate carpets and floor coverings; appliances and white goods; decoration; some upgrading to the bathroom; and the condition of the wiring taking account of the size of the property justified a reduction from the market rent of £870pa (£72.50pcm). In arriving at these figures the Committee had regard to the adjustments for such provision as assessed by the surveyor members of the Private Rented Housing Panel, adjusted appropriately to reflect the details of the property.
32. Accordingly, taking into account all the relevant factors as described above, the Committee took the view that the appropriate fair rent for the property in its current condition would be £4530pa plus services at £97.35pa ie £4627.35pa (£385.60pcm).
33. The Committee decided that the rental level achieved by its calculation was sufficiently close to that assessed by the Rent Officer to justify the Rent Officer's assessment. It accordingly determined not to interfere with that assessment.

34. The decision of the Committee was unanimous.

D Preston

Chairman

Date 30 November 2016