



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G3/650	16 July 2008	Landlord

ADDRESS OF PREMISES

2/1, 13 Willowbank Street, Glasgow, G3 6NA

TENANT

~~Miss J Easton~~ <sup>RS.</sup> MR D THOMSON

NAME AND ADDRESS OF LANDLORD

Scottish Prudential

AGENT

Hacking & Paterson  
1 Newton Terrace  
Glasgow  
G3 7PL

DESCRIPTION OF PREMISES

Traditional Second floor tenement flat circa 1900 comprising three rooms, kitchen and dark bathroom

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN  
SURVEYOR

HOUSING MEMBER

Mrs J Taylor LLB Dip LP NP  
Mr G Campbell FRICS  
Mr S Campbell

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 3600.00 p.a.	12 November 2008	12 November 2008

J Taylor

Chairman of Private Rented Housing Committee

19<sup>th</sup> November 2008

Date

## **STATEMENT OF REASONS**

*in connection with*

**INSPECTION HELD ON 12<sup>th</sup> November 2008**

*of the property*

*Flat 2/1, 13 Willowbank Crescent, Glasgow*

### **1. THE PARTIES**

The landlords are Scottish Prudential and they are represented by Hacking and Paterson, 1 Newton Terrace, Glasgow, G3 7PL.

The tenant is Douglas Thomson. His tenancy commenced on 28<sup>th</sup> March 1967 and it is a registered tenancy in terms of the Rent (Scotland) Act 1984.

### **2. BACKGROUND**

The current rent is £2750 per annum. The landlords applied for the rent to be increased to £4000. The Rent Officer registered a rent of £3600 per annum with effect from 8<sup>th</sup> July 2008. The Landlord referred the determination to the Private Rented Housing Panel ('PRHP').

### **3. THE INSPECTION**

The committee inspected the property, which is a second floor flat in a four storey, traditional blonde sandstone tenement, which has a tiled roof.

The accommodation comprises two bedrooms, living room, kitchen and bathroom.

The tenement was refurbished in the 1980's and the windows of the property had been replaced at that time and a communal door entry system installed.

The windows in the property are single glazed and no central heating has been installed.

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

No services are provided.

#### **4. THE HEARING**

The hearing took place in the property following the inspection. The tenant and his wife attended but the landlord did not attend and was not represented.

Mr Douglas Thomson, the tenant advised the committee as follows:-

- The close and the communal area at the rear had not been repaired since 1991.
- He was unable to comment on rents of other similar properties in the area.
- There are many sublets to students in the area.
- He did not wish to make any comments on the rents of comparable properties provided by the clerk.
- He wished to point out that Willowbank Crescent is a busy street due to the location of the primary school opposite.

#### **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's agents which state:-

*'We feel that the amount registered by the Rent Officer does not take into account changes in the rental market over the last few years, particularly with regard to scarcity. On that basis we suggest that scarcity should not be taken into account with respect to the above property and that this should be reflected in the registered rent.'*

- List of comparable rents, provided by the clerk:-

Address	Accommodation	Description	Effective date	Registered Rent
1/1, 32 Minerva Street, Glasgow	3 rooms, living kitchen and bathroom	Tenement flat	1 <sup>st</sup> July 2008	£4500
3/2, 958 Sauchiehall Street, Glasgow	4 rooms, living kitchen and bathroom	Tenement flat	1 <sup>st</sup> July 2008	£4700

The committee considered the documents provided and the evidence mentioned. 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 the landlords written submission to the effect there is no evidence of scarcity in the rental market. They are aware that the 'credit crunch' started almost a year ago and has had a significant effect on the market. They acknowledged that it has generally reduced the availability of mortgages, especially for first time buyers and it has resulted in a severe slowing of the sale/ purchase property market.

They considered a report prepared by S1 homes.com in July 2008, which states: 'The city's residential market is in its healthiest state in years. Occupancy in Glasgow has been at almost 100% this year...Glasgow is witnessing unprecedented demand for rental property..... the demand has become more acute as the slump in the mortgage market continues. More people are taking their time before committing to purchasing so are moving into rental properties.....some home owners are deciding to rent out rather than sell.'

They also considered a report prepared by citylets.co.uk in July 2008, which states:... 'Property across Scotland is letting faster than at any time in recent years with continuing high tenant demand. The citylets quarterly report shows that more properties are being let, and are being let more quickly than in the same quarter of last year. The report also shows Scottish rents rose by 4.5%- the highest rate of increase recorded. The Q2 report (April-June) shows the average time it takes to let one/two bed flats- particularly in Edinburgh and Glasgow has dropped sharply, as rent levels rise. The number of properties let in the quarter increased 21% on Q" 2007 and taken together with falling time to lets, rising rents and high levels of property for sale all points to the increasing popularity of renting over buying. The surge in demand for rented accommodation first seen in November of last year has been maintained. The ongoing credit crunch and difficult housing market suggests that there will be no let up in people looking to rent in the short to medium term.... Glasgow experienced a significant fall in the average time taken to let two bedroom flats- sitting at 31 days which is six days less than in Q2 2007. The average rent for all properties rose in Glasgow to £581- up from £559 in Q1 2008....'

The committee telephoned a local letting Company who advised that there is a plentiful number of people wanting to rent, it is now a matter of shortage of supply of suitable properties available for rent. Consequently they had placed an advert in their window urgently seeking property to lease'. The committee contacted another letting agency who advised that demand is now exceeding supply as people are now choosing to rent rather than buy.

The committee therefore considered that there is now scarcity of supply, and that a deduction of 20% from market rents was reasonable to reflect the current level of scarcity in Glasgow.

The committee considered the property Flat 2/1, 13 Willowbank Crescent, Glasgow to be directly comparable with 1/1, 32 Minerva Street, Glasgow. The properties are the same size and they do not have double glazing or central heating. The rent of 1/1, 32 Minerva Street, Glasgow had been fixed by a PRHP committee on 7th July 2008 at £4500 per annum. That rent had been determined on the basis of market rents, with an adjustment having been made for the fact that the property was unimproved. However no scarcity had been taken into account. After applying a deduction of 20%, to reflect the element of scarcity now pertaining, the committee decided that the fair rent for the property was £3600 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 Twelfth day of November Two thousand and eight.

**J Taylor** .....

Chairperson, 19th November 2008