

**PRIVATE RENTED HOUSING PANEL****RENT (SCOTLAND) ACT 1984****Notification Of Decision By The Private Rented Housing Committee**

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/PA3/876	22 March 2013	Landlord

**ADDRESS OF PREMISES**

16 Glencoats Drive, Paisley, PA3 1RW,

**TENANT**

Mr A Tennant

**NAME AND ADDRESS OF LANDLORD AGENT**

Ferguslie Park Housing Association Ltd  
The Tannahill Centre  
76 Blackstoun Road  
Paisley  
PA3 1NT

**DESCRIPTION OF PREMISES**

2 storey end terrace modern house built circa 1992. accommodation comprises, on the ground floor: lounge/ dining room, kitchen, wc; on the first floor: 3 bedrooms, bathroom. Garden to front, rear and side.

Gas central heating, double glazed throughout

**SERVICES PROVIDED**

None

**COMMITTEE MEMBERS**

CHAIRMAN	D Preston
SURVEYOR	C Jones
HOUSING PANEL MEMBER	S Brown

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4,312.00 p.a.	31 May 2013	28 May 2013

**D Preston**

Chairman of Private Rented Housing Committee

20 - 6 - 13

Date

## **Determination and Reasons**

### **PRIVATE RENTED HOUSING PANEL**

**HELD ON: 10 June 2103**

**PROPERTY: 16, Glencoats Drive, Paisley PA3 1RW**

#### **Background**

1. This is a reference to the Private Rented Housing Panel ("the PRHP") for determination of a fair rent under the Rent (Scotland) Act 1984 by the landlord, Ferguslie Park Housing Association Ltd in relation to property at 16 Glencoats Drive, Paisley PA3 1RW ("the property").
2. The current registered rent was £3,718 pa. On 26 February 2013, the landlord applied to the Rental Valuation Office for registration of rent for the property. On 22 March 2013 the Rental Valuation Officer determined a rent of £4,312.00 pa for the property. On 2 April 2013 the landlord intimated an appeal against that determination on the basis that the landlord had requested a rent of £4,414.68 pa which had been taken from a comparable property in the area. The appeal was referred to the Private Rented Housing Panel on 24 May 2013.

#### **THE EVIDENCE**

3. The Committee had the following documents before it:
  - Form RR1 together with rent calculation sheet
  - Rent Register documents,
  - Letter from the landlord dated 2 April 2013.

The Committee also had details of comparable registered rents and some properties to let in the locality, details of average rental figures in the Ferguslie Park locality and copies of previous determinations made by the Private rented Housing Panel in late 2011 in respect of comparable properties in the locality. The Committee took account of all these documents and used their knowledge and experience in determining a fair rent.

4. Neither party requested a hearing.

#### **THE INSPECTION**

5. David Preston, Chairman, Carol Jones, Surveyor and Susan Brown, Housing Member inspected of the property on 10 June 2013 in the presence of the tenant. The landlord was not represented at the inspection.

#### **DESCRIPTION OF THE DWELLINGHOUSE**

6. The property is an end terraced house, built circa 1992 with a gross internal area of 85.5 sq metres. Accommodation comprises: on the first floor three bedrooms and bathroom and on the ground floor through and through lounge/dining area, kitchen and toilet. The property has modern kitchen units which were installed by the landlord 4 – 5 years ago, a modern bathroom suite, timber double glazing and gas central heating with garden to the front, side and rear. Although the property itself has been well maintained by the tenant who has occupied it from new, some of the surrounding properties show signs of neglect with overgrown gardens and abandoned furniture. The locality is not well served by local amenities.

#### **DECISION AND REASONS**

7. The committee was mindful of its obligations to fix a rent that is or would be a fair rent under a regulated tenancy in terms of Section 48 of the Act which 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.

8. 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 comparables 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.

#### Capital value

9. No Valuation Report or other evidence was provided to the committee. However it noted that there were two other properties on the market in Glencoats Drive being: an end terrace two-bedroom house with an asking price of £55,000 and a semi-detached three-bedroom house with an asking price of £76,500. Neither property was directly comparable to the subject property but the Committee estimated that based on these values the subject property might be expected to have a capital value of around £65,000/£70,000 which would provide a return on capital at 6% of approximately £325/ £350 per calendar month

#### Comparable registered rents

10. The Committee was not provided with any comparable registered rents although the landlord had referred to, but not specified or identified, a comparable property in the area on which it had based its proposed rent of £367.89. The Committee noted a number of registered rents in the area, namely at 1 Dalskeith Avenue, 22 Dalskeith Avenue and 179A Ferguslie Park Avenue, all of which had been registered on 4 January 2013 at rentals of £349 per month. These properties were all end terraced houses comparable with the subject property.

11. As indicated, the committee noted the rent proposed by the landlord in its application and as specified in the appeal. However no information or evidence of this valuation was provided nor the identity of the comparable property.

#### Market rents

12. The Committee gave consideration to open market rents. Neither party had provided the committee with specific information or evidence about rents which could be used as comparables.

13. 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 property similar to the property would be unlikely to achieve an open market rent of over £360 per month ie £4,320 per annum and accordingly saw no reason to differ from the conclusion reached by the rent officer and fixed the rent at £4,312 per annum.

14. The committee was of the view that there was no scarcity in relation to properties similar to the property in its locality. This was confirmed by the numbers of properties to let and the demand in this particular area.
15. The decision of the Committee was unanimous and will take effect from 28 May 2013

D Preston

..... Chairman

...20.6.13... Date