

RENT ASSESSMENT PANEL FOR SCOTLAND

RENT (SCOTLAND) ACT 1984

NOTIFICATION OF DECISION BY THE RENT ASSESSMENT COMMITTEE

REFERENCE NO.	OBJECTION RECEIVED	OBJECTION
RAC/G31/581	29 March 2007	Landlord

ADDRESS OF PREMISES

0/2, 12 Armadale Street, Glasgow, G31 2UX

TENANT

Mrs E O'Brien

NAME AND ADDRESS OF LANDLORD/AGENT

Geo C Dunbar's Trust, per Hacking & Paterson, 1 Newton Terrace, Glasgow, G3 7PL

DESCRIPTION OF PREMISES

Ground floor flat in 4 storey grey sandstone and tiled tenement circa 1890, comprising 2 rooms, living kitchen, box room and bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mrs A McCamley BA LLB NP
PROFESSIONAL MEMBER	Mr A English FRICS
LAY MEMBER	Mr C Harvey

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 3,000.00 per annum	8 June 2007	8 June 2007

A McCamley

Chairman of the Rent Assessment Committee

8/6/07
Date

RENT ASSESSMENT COMMITTEE

STATEMENT OF REASONS

Held On: 8th June 2007

Property: 0/2 12 Armadale Street, Glasgow G31 2UX

1.0 Introduction

The Committee comprised Mrs. A. McCamley (Chairman), Mr. A. English (Surveyor) and Mr. C. Harvey (Lay Member). Mrs. Sarah Hesp accompanied the Committee as an observer on this occasion but took no part in the proceedings. The Landlord is George Dunbar's Trust represented by Hacking & Paterson. The Tenant is Mrs. E. O'Brien. This reference to the Rent Assessment Committee for determination of a fair rent under the Rent (Scotland) Act 1984 is in respect of a ground floor flat known as 12 Armadale Street, Glasgow and arises from dissatisfaction on the part of the Landlord.

The previous rent was £1,950 per annum. The Landlord applied for £3,000 per annum and the rent determined by the Rent Officer was £2,275 per annum. The Rent Officer's decision took effect on the 27th March 2007.

2.0 Inspection

The flat was inspected by the Committee on the 8th June 2007 in the presence of the Tenant. The Landlord had been invited to the inspection but did not attend.

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The property is a ground floor flat in a grey sandstone tenement constructed about 1890. The tenement has a tiled roof. There is a door entry system to the tenement and a communal area at the rear which is paved and accommodates a communal bin storage area. The flat comprises of a bedroom, sitting room, living kitchen, box bedroom and internal bathroom. There is adequate storage space. There is no central heating however the property benefits from night store white meter heating which was installed by the Tenant. The windows have been double glazed. The property is conveniently located for public transport and public services. The Tenant has attractively decorated and maintained the property.

3.0 Documentation

The Committee considered the undernoted documents:

RRI Application

Landlord Representations

Rent Register Pages

4.0 The Hearing

A Hearing was held at the request of the Tenant. The Landlord did not wish to attend. By courtesy of the Tenant the Hearing took place in the reference property at the conclusion of the inspection.

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Mrs. O'Brien, the Tenant, was of the view that the increase in rent was excessive given that she is a pensioner and on a restricted income. After questioning by the Committee Mrs. O'Brian confirmed she was unaware of the time it took to let property in the location although she was aware there was quite a lot of property to let on the market. She very fairly confirmed the Landlord promptly dealt with maintenance and repairs.

5.0 The Decision

The Rent Assessment Committee do not accept the determination of the fair rent by the Rent Officer. The Rent Assessment Committee determines that a fair rent for the subjects is £3,000 per annum with effect from the 8th June 2007.

Reasons for the Decision

The Committee carefully considered all the written evidence together with observations made by Committee members at the inspection, the points raised by the Landlord in his written representations and the oral evidence of the Tenant at the Hearing.

In particular the Committee considered which of the alternative methods of ascertaining a fair rent was most appropriate in this case. It is settled law that the three main guidelines are:-

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- (a) To compare registered rents for similar protected tenancy properties.
- (b) To ascertain what would be a fair return to the Landlord on the capital value of his house.
- (c) To have regard to free market rents for similar properties.

In this case the clerk had prepared a schedule containing two comparables registered rents. These properties are situated within close proximity to the reference property. Having viewed the location of each of these potential comparable sites, the Committee agreed that the properties identified were not appropriate to form the basis of a comparison with the property as Armadale Street. We have no knowledge as to whether these properties have been modernised nor are we aware of the proportions of the rooms. We were also concerned that the Rent Officer may have perpetuated an inappropriately high deduction for scarcity when determining these rents. These concerns having been raised regarding the comparable properties we concluded that direct interpolation from the Rent Register would not provide the best way of arriving at a fair rent for the reference property.

Neither party addressed the Committee on the capital value of the property and the Committee had no information thereon.

The Committee were aware of the need to proceed on the basis of the best available evidence using other available evidence as a check where possible. The Committee is required by Section 48 of Rent (Scotland) Act 1984 to determine a fair rent by applying "their knowledge and experience of current rent of comparable property in the area".

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In light of the reservation expressed above the Committee could not rely on the comparable or capital value methods to determine a fair rent. The Committee resolved to proceed to determine a fair rent by having regard to market rent for similar properties. The Committee is aware, through its own market knowledge reinforced by the advice of its professional member who produced a list of current lettings showing eighty-four flats in Denniston available for rent that market rents for flats of the same size and in the same locality as the reference property are around £475 per month fully furnished with central heating and all modern conveniences.

The Committee took account of the following facts in reaching their decision regarding the property at 12 Armadale Street, Glasgow

- (a) rents in respect of modern furnished properties in the area of a similar size to the flat at 12 Armadale Street were around £475 per month.
- (b) The property at 12 Armadale Street was let as unfurnished.
- (c) The property at 12 Armadale Street does not benefit from use of any white goods heating or modern fittings supplied by the Landlord.
- (d) The Tenant at 12 Armadale Street had made various internal improvements to the property.

After making allowances for all the above factors, the Committee applying its skills, knowledge and experience having regard to the character and extent of the subjects and other matters required by the 1984 Act determined the market rent for the subjects is £3,000 per annum.

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The market rent being thus determined the Committee considered whether there should be any scarcity deduction in terms of Section 48(2) of the 1984 Act. In the original representation, the Landlords had specifically highlighted that they did not consider the Rent Officer's determined rent took account of changes in the rental market particularly with regard to scarcity. The Committee again applying its skill, knowledge and experience noting it could find no evidence of excess demand for property such as the subjects, noting also that there appeared to be large numbers of similar sized properties available for rent in the nearby locality of the subjects decided that there was no significant scarcity of properties.

Accordingly the market rent is the fair rent in this case. The decision of the Committee is that a fair rent for the property is £3,000 per annum with effect from 8th June 2007. In reaching that decision the Committee had regard to all the circumstances required to be taken into account in terms of Sections 48 and 49 of the Rent Scotland Act 1984.

A McCamley

Chairman

27/6/07