

RENT ASSESSMENT PANEL FOR SCOTLAND

RENT (SCOTLAND) ACT 1984

NOTIFICATION OF DECISION BY THE RENT ASSESSMENT COMMITTEE

REFERENCE NO.	OBJECTION RECEIVED	OBJECTION
RAC/G32/587	9 May 2007	Landlord

ADDRESS OF PREMISES

1/1, 18 Balgair Terrace, Glasgow, G32 0PF

TENANT

Mrs M Simpson

NAME AND ADDRESS OF LANDLORD

Nitron Inv. Ltd.

AGENT

Hacking & Paterson
1 Newton Terrace
Glasgow
G3 7PL

DESCRIPTION OF PREMISES

First floor tenement flat circa 1900 with gas central heating and double glazing comprising two rooms, scullery and narrow bathroom

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mrs J Taylor LLB Dip LP NP
PROFESSIONAL MEMBER	Mr G Campbell FRICS
LAY MEMBER	Mr S Campbell

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£2760.00 per annum	31 July 2007	31 July 2007

J Taylor

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Chairman of the Rent Assessment Committee

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Date

31/7/07

STATEMENT OF REASONS

in connection with

INSPECTION HELD ON 31st JULY 2007

of the property

1/1, 18, Balgair Terrace, Glasgow, G32 0PF..

1. THE PARTIES

The landlords are Nitron Investments Limited and they are represented by Messrs Hacking and Paterson, 1 Newton Terrace, Charing Cross, Glasgow.

The tenant is Mrs M Simpson. She has resided in the property for over 40 years. Her tenancy is a regulated tenancy in terms of the Rent (Scotland) Act 1984.

2. BACKGROUND

The current rent is £2150 per annum, the landlords applied for the rent to be increased to £3000.

The Rent Officer registered a rent of £2300 per annum with effect from 30th June 2007 and the Landlord referred the determination to the Rent Assessment Committee.

3. THE INSPECTION

The committee inspected the property, a first floor flat in a traditional red sandstone, four storey tenement. The accommodation comprises living room, one bedroom with small scullery style kitchen off and narrow bathroom. Mrs Simpson advised the committee that the property had suffered damage due to problems with the flat above and had been substantially renovated over the last year. The expenses of the repairs were met by the landlord and the insurance companies. Mrs Simpson had supplied the new bathroom fittings, the kitchen units and

appliances and the central heating system, which is now maintained by the landlord. The property is fully double glazed.

The tenement building was refurbished, probably over twenty years ago and a communal door entry system has been installed. The roof of the tenement is tiled. The communal ground to the rear of the property is partly laid with grass and Mrs Simpson has formed a tended garden area there.

The property is conveniently located for public transport and is close to Shettleston station and local services. No services are provided.

4. THE HEARING

No hearing was requested.

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.
- The letter from the landlord's agents dated 26th April 2007, which stated that they objected to the rent set by the Rent Officer.
- The Rent Assessment decision dated 10th April 2007 for the comparable property. The details of that property are as follows:-

Address	Accommodation	Description	Effective date	Registered Rent
1/1, 548 Tollcross Road, Glasgow	Tenement flat	2 rooms, kitchen and bathroom	10 th April 2007	£2760

- The written statement by the Landlord's agents dated 22nd May 2007, which stated:-
'As evidenced by a growing number of recent RAC decisions, commencing the decision of 30th November 2005 in respect of 128 Raebury Street, Maryhill, we are of the belief that scarcity is no longer a factor in relation to the private rental market. Additionally, the Rent assessment Committee decision reference RAC/G20/453 for flat 3/2, 74, Sanda Street Glasgow on 18th January 2006 concluded 'that there is a fair equilibrium in the market' and that 'accordingly, the market rent is the fair rent in this case'. If it is agreed that the market is therefore presently in

balance, registered rents should be more reflective of current market rents, whatever method is used to determine the fair rent.

We therefore contend that the rent originally applied for in this case of £3000 is a fair rent for the property.'

The committee considered the documents provided. They were mindful of the terms of section 48(2) of the Rent (Scotland) Act 1984 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 had obtained details of over ten similar sized properties available to lease in the area from the internet. A similar property at Denbrae Street, Tollcross was advertised at £300 per month and another property at Shettleston Road was advertised at £325 per month. The remaining properties were advertised at £350 per month. All of these properties were refurbished and included fitted kitchens, appliances and fitted bathrooms. The committee were mindful that this was evidence of rents sought by the landlords and was not evidence of rents paid. The landlords' agents had not provided evidence of market rents of comparable properties and the committee had been unable to obtain evidence of such rents.

The committee had observed many 'For Let' signs in the vicinity of the property and had been advised by the tenant that there were three vacant properties in the tenement 18, Balgair Terrace. Therefore the committee considered that it was probable that the advertised market rents may not be achieved by the landlords and consequently they found this evidence to be of little assistance to them. However they acknowledged that as there are many similar properties available for lease in the vicinity, there is no scarcity in supply.

The committee had been unable to find evidence of capital valuations of comparable properties. They had ascertained that there had been a recent sale of another property in the building 18, Balgair Terrace, but the sale price had not been disclosed. Neither the landlord or the tenant had provided evidence of the capital valuation of the property.

The committee considered the evidence of the comparable registered rent of the property 1/1, 548 Tollcross Road, Glasgow, being the comparable property in the list provided by the clerk. They had viewed the property externally and acknowledged that the property had the benefit of being located in a better area than Balgair Terrace and had an additional room. However it had the disadvantage, in comparison to 1/1, 18 Balgair Terrace, that it did not have a communal door entry system and did not have double glazing or central heating. The committee considered that the benefits broadly balanced the disadvantages. They acknowledged that the registered rent of that property had been determined by the rent assessment committee on 10th April 2007 and

they had determined that rent using the evidence of comparable market rents. In their statement of reasons they stated that they had 'accepted the landlord's submissions that there is equilibrium of supply and demand for properties of this type in this location and no scarcity deduction should be made'.

The committee considered that the evidence of the registered rent of the property 1/1, 548, Tollcross Road, Glasgow was the best evidence available, considering the stated limitations of the market rent evidence and the absence of evidence of a capital valuation.

Consequently, they decided that the fair rent for the property was £2760 per annum (£230 per month).

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 Thirty First day of July Two thousand and seven.

J Taylor

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Chairperson, 6th August 2007