



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

**Notification Of Decision By The Private Rented Housing Committee**

**REFERENCE NO:**

**OBJECTION RECEIVED**

**OBJECTION**

RAC/G42/642

15 My 2008

Tenant

**ADDRESS OF PREMISES**

1/3, 11 Annandale Street, Glasgow, G42 7AJ

**TENANT**

Mr & Mrs Martin

**NAME AND ADDRESS OF LANDLORD**

**AGENT**

Govanhill H.A. Ltd.  
Samaritan House  
79 Coplaw Street  
Glasgow  
G42 7JG

N/A

**DESCRIPTION OF PREMISES**

First floor traditional tenement flat circa 1900 with gas central heating comprising two rooms, living kitchen and dark bathroom.

**SERVICES PROVIDED**

Door entry system and central area maintenance.

**COMMITTEE MEMBERS**

**CHAIRMAN**

**SURVEYOR**

**HOUSING PANEL MEMBER**

Mrs J Docherty BL  
Mr G Campbell FRICS  
Mr T Keenan

**FAIR RENT**

**DATE OF DECISION**

**EFFECTIVE DATE**

£ 3300.00 p.a. (Incl. of  
services of less than 5%)

23 July 2008

23 May 2008

**J Docherty**

Chairman of Private Rented Housing Committee

23rd July 2008.

Date

**PRIVATE RENTED HOUSING PANEL OF WEDNESDAY, 23<sup>RD</sup> JULY 2008**

**STATEMENT OF REASONS**

**PROPERTY**

First floor right hand house (1/3) at 11 Annandale Street, Govanhill, Glasgow G42 7AJ (hereinafter referred to as "the flat")

**INTRODUCTION**

This is an application to the Private Rented Housing Panel ("the Committee") for the determination of the fair rent of the flat under the Rent (Scotland) Act, 1984 ("the 1984 Act")

The landlords of the flat are Govanhill Housing Association Limited, Samaritan House, 79 Coplaw Street, Glasgow G42 7JG. The tenants of the flat are Mr. and Mrs. John Martin who have lived in the flat for ten years. The annual rent of the flat was last registered with effect from 23<sup>rd</sup> May 2005 at the figure of £2253.96. On 18<sup>th</sup> February, 2008 the landlords applied to have this rent increased to £2690.52 per annum. The Rent Officer determined a rent of £2731.20 per annum with effect from 23<sup>rd</sup> May 2008.

This application has been submitted by the tenants.

**INSPECTION**

The Committee inspected the flat on the morning of 23<sup>rd</sup> July 2008. Mr. John Martin, one of the tenants, was present throughout the inspection. No representative of the landlords attended.

The flat lies on the first floor of a traditional red sandstone four storey tenement with two houses on each of the ground and top floors and three houses on each of the first and second floors.

The roof is tiled and the stonework would appear to have been cleaned sometime ago. There is a security door on the close and the close, stairs and landings are freshly decorated, clean and well maintained.

The flat is the right hand house of the three houses on the first floor of the tenement. Leading direct from the landing is an L-shaped hall with a fairly narrow entrance opening onto a larger square area. The accommodation within the flat comprises a bay-windowed room to the front looking onto Annandale Street, a second room and a living/kitchen to the back and an internal dark bathroom. The tenants have elected to use the front room as their bedroom and to use the two back rooms as living rooms.

The front room is a good size with three windows. There is a central heating radiator in the room. The windows are wooden framed, single glazed replacement windows which have been in the flat since the tenant moved in ten years ago. The tenant advised that there had been water damage at the window during very heavy rain some years previously. This had been repaired by the landlords and at the time of the inspection there was no evidence of further water penetration.

The back room which the tenants use as a small sitting room has one similar wooden framed single glazed window overlooking the back court. It is a small room which if used as a bedroom could barely accommodate a double bed. There is one radiator in this room.

The living/kitchen is a good sized room with a recessed area. A narrow strip of the living/kitchen has been sectioned off with louvre doors to conceal the kitchen units, cooker and sink. Although the landlords in their RRI Application describe this strip of the kitchen as a kitchenette, it is so narrow that it scarcely merits this title. The tenant advised that the kitchen units within the "kitchenette" had been upgraded by the landlords in 2000 approx. There is a window in this area.

The tenants use the rest of the living/kitchen as their principal living room. It is a comfortable room with a window overlooking the back court. The combi boiler which heats the radiators and water is fitted in the former kitchen cupboard. There is a gas fire which has been in the flat for at least ten years and which is still operational.

The internal bathroom is fairly small and the three piece white suite is in good condition. The tenant advised that the bath had been replaced fairly recently. The bathroom is vented.

The wiring in the flat is modern. There are sufficient radiators in the flat. There is a smoke alarm connected to the main electricity supply.

At the time of the inspection the flat was dry, warm and comfortable.

The tenant advised that the landlords arrange for the cleaning of the close and stairs and also the back court maintenance.

The common backcourt is paved and has a central shrubbed area. The backcourt and bin areas are tidy and well looked after. Beyond the backcourt, there is a fairly large common garden area which serves the surrounding tenements and this too is well maintained.

Parking for the flat is on-street and at the time of the inspection there was no problem in finding parking space.

Annandale Street is a quiet *cul de sac* enhanced by the young trees planted at the kerbs and the decorative railings fitted in front of all the properties. At the end of the street lies Govanhill Park which has a childrens play area and other amenities. The locality is mainly residential and is convenient for both transport and shopping.

## **HEARING**

As the landlords had requested a Hearing, this was duly convened, after the inspection, in the Offices of the Private Rented Housing Panel at 140 West Campbell Street, Glasgow G2 4TZ.

Mr Alan McDonald, the landlords' Housing Services Manager, appeared on their behalf. The tenants had advised that they did not wish to attend a Hearing and had submitted written representations. Mr. McDonald confirmed that he had received a copy of the tenants' objections.

These objections referred specifically to the inadequacies of the combi boiler within the flat and also the condition of the gas fire in the kitchen. They also refer to the 20% increase in the rent which the tenants consider to be excessive and the fact that his wages are "only £15,000 per annum."

Mr. McDonald explained that he had checked his office records for full information on these matters. He advised that the tenement had been fully refurbished in 1978 when the landlords acquired the property. Further major repairs and upgrading work were carried out in 2000. The central heating boiler is not a condensing boiler and not the most energy efficient. In March 2006 it was thoroughly checked and approved by their heating engineers. Since March 2006, three complaints have been received from the tenants and on each occasion the heating system and boiler have been repaired. At the moment the landlords have no record of any outstanding repairs. Mr. McDonald said that a programme for the replacement of the heating system is in place and will be implemented as soon as resources permit.

Mr. McDonald also explained that the gas fire in the kitchen is over ten years old and the average life of a gas fire is about twelve years. The fire is checked each year and a safety certificate for the fire was issued on 3<sup>rd</sup> April 2008 by a corgi registered plumber. When the fire is no longer safe and operational, it will be removed and will not be replaced by the landlords. At present, in the whole tenement, there are only three gas fires being provided by the landlords.

Mr. McDonald then addressed the matter of the rent increase. He said that the landlords had consulted with all their tenants regarding the proposed rent increases and taken on their views. He advised that the landlords have a mainstream welfare rights service to give advice to their tenants who may have difficulties with regard to the increased payments.

Mr. McDonald advised that he had made a study from the internet of the rents of one bedroom flats in the Govanhill area and he produced to the Committee a list of 56 flats with annual rents ranging from £3840 to £5400. These flats were not identifiable from the list. The Committee asked Mr. McDonald to comment on the two flats on the Clerk's list, each with a registered rent of £3300. Mr. McDonald considered that the flats which are in Daisy Street and Annette Street both lie in a less sought after area of Govanhill but are fair comparisons.

Mr. McDonald confirmed that the landlords make a service charge to the tenants for their share of the maintenance costs of the security door and also the cleaning and

tidying of the common back court and amenity ground. These service costs amount to £41.20 per annum and are included in the rent

Mr. McDonald advised the Committee that the landlords own 1600 housing units in the Govanhill area. They have a waiting list of 1250 and have virtually no voids. They also manage 1580 units for GHA in the Govanhill area. There is a great demand for housing in the Govanhill area. Their rent structure makes provision for management overheads and investment for ongoing upgrading and maintenance of their housing stock.

This concluded Mr. McDonald's presentation.

### **DECISION**

The Committee had before it the following documentation,

1. R.R.I Application dated 18<sup>th</sup> February 2008.
2. Tenants' representations dated 25<sup>th</sup> May 2008.
3. Landlords' representations dated 27<sup>th</sup> May 2008.
4. Landlords' letter of 12<sup>th</sup> June 2008.
5. Rent Register pages.
6. Clerk's list of comparables
7. Table of rents provided by landlords at Hearing.

The Committee had listened carefully to the explanations made by the landlords' representative with regard to the tenants' complaints and were of the opinion that the landlords have taken the necessary precautions to ensure the appliances within the flat are in a safe and reasonable state of repair.

The Committee's duties in terms of s.48 of the 1984 Act in determining the fair rent of a regulated tenancy is "to have regard to all the circumstances (other than the 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 and to its state of repair....." Para (2) then provides that "For the purpose of the determination it shall be assumed that the number of persons seeking to become tenants of similar dwelling-houses in the locality ... is not substantially greater than the number of such houses in the locality which are available for letting..." This provision is sometimes known as "the scarcity deduction".

The Committee agreed that the wages of the tenant are personal circumstances which cannot be taken into account in determining the rent.

The Committee must consider, in the first instance, what is the level of current rents of comparable properties in the area and thereafter, is a scarcity deduction appropriate in this case.

From internet sources, local letting agencies and local newspapers the Committee have themselves identified a very great number of one bedroom flats both furnished and unfurnished which are available for rent in the G42 area of Glasgow. Rents for furnished flats range from £320 per month (£3840 per annum) to £450 per month

(£5400 per annum). The table of rents submitted by the landlords at the Hearing shows an average annual rent of £4461.18 for the flats on the list. It must be appreciated that these are the asking rents and not the achieved rents. It must also be appreciated that these flats are likely to be furnished and have modern heating facilities. The Committee after careful consideration, took the view that the rent for the flat should be at a lower rate than the rents for these flats.

The Committee then looked at the rents of the two similar flats on the Clerk's list of comparables where rents of £3300 per annum had been determined by Committees in recent months. These flats in Daisy Street and Annette Street are more or less equivalent in size and accommodation with the flat and are similar to the flat in regard to age, character and locality. The Committee agreed that there has been little increase in rent figures over the past few months and after very careful consideration determined that an equivalent market rent of £3300 per annum for the flat is appropriate.

The Committee then considered the matter of scarcity and agreed that it is apparent that there are now many properties for rent in Glasgow and the supply of these properties adequately meets the demand for same. Accordingly at this time, a scarcity deduction from the market rent is inappropriate.

The Committee was satisfied that the service charges amounting to £41.20 per annum for electricity and central area maintenance are reasonable and are included in the rent.

In conclusion, the Committee determined that the fair rent for the flat is £3300 per annum (inclusive of services of less than 5%) with effect from 23<sup>rd</sup> May 2008.

It should be noted that any increase imposed on the tenants in consequence of this determination must be imposed in accordance with the provisions of s.33 of the 1984 Act and The Limits of Rent Increases (Scotland) Order 1989 s.1 1989 no.2469 (s.168) which specify the limits in the phasing in of a significant increase in rent.

In reaching this decision, the Committee has had regard to all the circumstances of the 1984 Act.

Chairman

**J Docherty**

Date 25<sup>th</sup> July 2008