



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984 – “the Act”

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
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PRHP/RR/14/0190

ADDRESS OF PREMISES
Flat 1/2, 186 Govanhill Street Glasgow G42 7NF

TENANT
Ms Denise Hanlon

NAME AND ADDRESS OF LANDLORD	AGENT
Govanhill Housing Association Ltd, Samaritan House, 79, Coplaw Street Glasgow G41 7PG	Daniel McColgan

DESCRIPTION OF PREMISES
Second floor duplex flat in blonde sandstone 4 storey tenement under tiled roof. Accomodation comprised, entering on the first floor were: living room; bedroom; kitchen; and small internal bathroom; hallway with stairs to ground floor area with; two bedrooms. There were ample walk in cupboards throughout
Approximate floor area 60 square metres.

SERVICES PROVIDED
Door entry maintenance contract (£21.68); backcourt maintenance (£27.43); and central area maintenance (29.21); at a total cost of £78.32 per annum to the tenant.

COMMITTEE MEMBERS

CHAIRMAN	David Preston
SURVEYOR	Kingsley Bruce
HOUSING PANEL MEMBER	Chris Harvey

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 5150.00pa (£429.17pcm)	18 September 2014	18 September 2014

David Preston

Chairman of Private Rented Housing Committee

5-10-14.

Date

Determination and Reasons

PRIVATE RENTED HOUSING PANEL

HELD ON: 18 September 2014

PROPERTY: Flat 1/2, Govanhill Street, Glasgow G42 7NF

Background

1. This was a reference to the Private Rented Housing Panel ("the PRHP") for determination of a fair rent under the Rent (Scotland) Act 1984 by the tenant in relation to property at Flat 1/2, 186 Govanhill Street, Glasgow G42 7NF ("the property").
2. By application dated 23 June 2014, the landlord applied to the Rental Valuation Office, for registration of rent for the property. A rent of £3,653.16 per annum (£304.43 per calendar month) had previously been registered, which had been effective from 28 September 2011. On 5 August 2014 the Rental Valuation Officer determined a rent of £4,534.02 per annum (£377.84 per calendar month) for the property to be effective from 28 September 2014. On 8 August 2014 the tenant intimated an appeal against that determination.

THE EVIDENCE

3. The Committee had the following documents before it:
 - Form RR1 together with rent calculation sheet
 - Rent Register documents,
 - Written representations by the tenant dated 25 August 2014

The Committee also had: details of comparable properties in the G42 area of Glasgow and the locality. In addition the Committee heard amplification of the tenant's representations during the inspection and heard from the Landlord's representative who attended the hearing. The Committee took account of all these documents and representations and used its knowledge and experience in determining a fair rent as required by section 48 of the Act.

THE INSPECTION

4. The Committee inspected the property on 18 September 2014 in the presence of the tenant. The landlord was neither present nor represented at the inspection.

THE PROPERTY

5. The property was a second floor duplex flat in blonde sandstone 4 storey tenement under tiled roof. The flat, enters on the first floor where the accommodation comprised: living room; bedroom; kitchen; and small internal bathroom; hallway with stairs to ground floor area with; two bedrooms. There was ample cupboard and storage space throughout. The Approximate floor area, over two floors, extended to 60 square metres. The Committee heard from the landlord's representative that improvements carried out by the landlord included: gas central heating system and bathroom suite installed in 2009; fitted kitchen units in 2011. The conversion of the property to a duplex flat and modernisation of the back court area had been carried out prior to the tenant moving in, which was believed to be in 1990.
6. There was a security door on the close. Responsibility for cleaning of the close, stairs and landings, lay with the tenants. They were clean, tidy and well maintained. The tenant complained that other tenants and occupiers did not attend to the cleaning and that she undertook most of that work. Nonetheless the internal areas were well presented.. All furniture was supplied by the tenant. The landlords provided the door entry system, and they maintained the communal ground to the rear.
7. The windows were single glazed throughout and had not been replaced since the tenant took entry. The tenant complained that the windows were draughty and that ventilation had been fitted by the landlord leaving large gaps which had been infilled with wood. The landlord's representative advised that the tenders for replacement windows were currently being sought and it was anticipated that the installation would take place before the end of the current year. The tenant had advised that she understood that the property was not to be included in what she understood the contract area to be. The landlord's representative undertook to clarify the position with the tenant.
8. The internal bathroom was small with: WC; wash hand basin; and short bath with shower over. However the layout is cramped.
9. The back court and drying green areas had been modernised to paving slabs some years ago. There was a gated access access pend to allow for refuse collection. However the tenant complained that the gate was left unlocked which allowed free access to the drying area and if she hung out her washing, it was stolen. In addition, she complained that the pend provided access to all the tenements in the area and all bins were taken through it. Access to the pend involved interference with the tenant's drying area and it was impractical to use.
10. The property is well situated with all amenities including schools, shops and other facilities close at hand.

THE HEARING

11. The landlord had requested a hearing, which had been scheduled to take place in the offices of PRHP at Europa Building at 15.00 following the inspection. The hearing was attended by the landlord's representative Mr Daniel McColgan who made oral representations. The tenant had indicated in her response form that she did not intend to attend the hearing, which she confirmed during the course of the inspection. She was advised that the landlord intended to attend the hearing and she confirmed that she was content for the hearing to proceed in her absence. The Committee was content to proceed with the hearing in the absence of the tenant who had chosen not to attend.
12. The landlord's agent advised that the rent which had been applied for had been set in accordance with the Association's rent setting mechanism. He advised that the scheme provided a base rental of £5191.28 per annum for a 3 bedroom, 5 person flat, with a deduction of £251.92 in respect of there being no dining room. The base rental value was set at a level which applied across the Associations range of properties at a standard level based on the accomodation in the property with appropriate deductions (in respect of the lack of dining room in this case).
13. Neither the tenant nor the landlord's agent provided any rental comparisons to the Committee.

THE TENANT'S POSITION

14. During the inspection the tenant confirmed her position as stated in the application and written representations. Specifically she complained that she would find difficulty in making the payments of the increased rent. She complained that she was being charged for the back court area which she was unable to make use of. She complained that the windows were inadequate and draughty.
15. The Committee was unable to take account of the personal circumstances of the tenant, as directed in section 48 of the Act, which provides for the Committee "...to have regard to all the circumstances of the case (other than personal circumstances)...".

DECISION AND REASONS

16. Section 48 of the Act 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.

17. The Committee was mindful of its obligations in terms of section 48 of the Rent (Scotland) Act 1984, to fix a rent that is or would be a fair rent under a regulated tenancy. While having regard to the determination of the rental Valuation Officer and the rent proposed by the landlord, it must apply its own determination based on the evidence available to it.

18. 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.

19. The Committee noted the rent proposed by the landlord in its application and as specified in the appeal was £5011.68 per annum (£417.64 per month). It noted that this had been calculated in accordance with the landlord's rent setting mechanism. The landlord's agent provided evidence of the basis of the scheme as applied in setting the rent. However no evidence was presented as to the calculation of the base rental figures. Accordingly the Committee did not consider that it was appropriate to base its determination thereon.

Comparable Registered Rents

20. The Committee noted the rent assessed by the Rental Valuation Office. However no information was provided as to the basis upon which this had been calculated.

Market rents

21. The Committee gave consideration to open market rents in establishing a fair rent for the property. Neither party had provided the Committee with specific information or evidence about rents (either in the open market or under registered rents terms) which could be used as comparables. However as indicated, the Committee had before it details of comparable properties.

22. In particular, the Committee noted that there were a number of 3 bedroom flats in Prospecthill Road, Gartcosh Street, Riccarton Street, Corlaich

Avenue, Florida Drive and Westmoreland Street. The Committee excluded the flats in Prospecthill Road from its deliberations. The asking rents for the remaining properties ranged from £450 per month to £600 per month. A number of 2 bedroom flats were found to be on the market in the area at a range of £485 - £525. It was assumed that these flats were all fully modernised.

23. The Property in this case had smaller rooms and provided more compact family accommodation than typical for a 3 bedroom flat. It had a very small bathroom. This was due to the duplex nature of the layout and conversion from separate flats.
24. The Committee noted that there was only one hard wired smoke detector in the property despite the fact that accommodation is on two floors. The Committee did not test for its operation. The Committee drew this to the attention of the landlord's representative at the hearing.
25. 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 flat similar to the property enjoying the amenities provided in a similar area would be likely to achieve an open market rent of £6,000 per annum (£500 per calendar month).

Capital value

26. The Committee had no information before it of capital values in the area.
27. The Committee was of the view that there was no scarcity in relation to properties similar to the property in this locality.

Deductions

28. The Committee considered that the property was let as unfurnished. It did not benefit from any white goods. The property had single glazing throughout. The property had been decorated by the tenant and the floor coverings had all been supplied by her. The Committee therefore considered that reasonable deductions were required to reflect the difference between the property and the market rent for a modernised flat of the same size and in the same location.
29. The Committee considered that the cost of supplying appropriate carpets and floor coverings, appliances and white goods, installing double glazing taking account of the size of the property justified a reduction from the market rent of approximately £850 per annum (£70.83 per calendar month). In arriving at these figures the Committee had regard to the adjustments for such provision as assessed by the surveyor members of the Private Rented Housing Panel, adjusted appropriately to reflect the details of the property.
30. Accordingly, taking into account all the relevant factors as described above, the Committee took the view that the appropriate fair rent for the

property in its current condition would be £5,150 per annum (£429.17 per calendar month).

31. The Committee noted that this value exceeded the rent level proposed by the landlord and that set by the Rental Valuation Officer. However the Committee noted that as a social landlord, they would not be bound to charge the full rent assessed.
32. The decision of the Committee was unanimous and will take effect from 18 September 2014.

David Preston

..... Chairman

..... 5-10-14..... Date