



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/AB11/651	7 August 2008	Landlord

ADDRESS OF PREMISES

14 Portland Street, Aberdeen, AB11 6LL

TENANT

Mrs I Simialoski

NAME AND ADDRESS OF LANDLORD	AGENT
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Mr Len Heslop
Flat 3/1
20 Graham Square
Glasgow
G31 1AN

N/A

DESCRIPTION OF PREMISES

Main door tenement flat circa 1890 with double glazing comprising three rooms, kitchen and dark bathroom. Storage room to rear.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
LAYMEMBER

Mr R Handley LLB
Mr M Andrew FRICS FAAV
Mr A McKay

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4800.00 p.a.	22 October 2008	22 October 2008

R Handley

Chairman of Private Rented Housing Committee

1 November 2008
Date

STATEMENT OF REASONS

PRIVATE RENTED HOUSING PANEL

HELD ON: 22 OCTOBER 2008

PROPERTY: 14 PORTLAND STREET, ABERDEEN, AB11 6LL

INTRODUCTION

This is a reference to the Private Rented Housing Panel for the determination of a fair rent under the Rent (Scotland) Act 1984 by the landlord Mr L Heslop, 3/L, 20 Graham Square, Glasgow in relation to the property at 14 Portland Street, Aberdeen ("the dwellinghouse"). The tenant is Mrs I Simialoski.

The previous rent paid by the tenant was £275 per annum. The landlord applied for a rent of £400 per month. The Rent Officer determined a rent of £350 per month. The reference arises from the dissatisfaction expressed on the part of the landlord.

THE EVIDENCE

The Committee had a number of documents before it. These included Rent Register pages, written representations from the landlord, details of two recently registered rent decisions and a valuation report from Graham and Sibbald (made available by the landlord). The Committee gave full consideration to all these documents. The Committee also used their knowledge and experience in determining a fair rent for the dwellinghouse. Neither of the parties had requested a Hearing.

THE INSPECTION

Mr Roberts Shea, Clerk to the Private Rented Housing Panel, introduced the Committee to the tenant at the inspection of the dwellinghouse on 22 October 2008. The tenant was present - the landlord was not.

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is a ground floor flat forming part of a row of terraced flats. The dwellinghouse was built from granite (circa 1880) and has a slated roof. In common with other tenants in the block, the tenant has access to a small garden area to the rear of the property. No services are provided by the landlord. The dwellinghouse has a front door entrance off the pavement and is located in an area close to the city centre and near to shops, schools, colleges and public transport. There are commercial and industrial units nearby but there are also new residential developments.

The dwellinghouse comprises a living room, two double bedrooms, a kitchen, bathroom and storeroom. The front door (on Portland Street) opens to a hallway. The living room, bedrooms, bathroom and kitchen are all located off the hallway. The kitchen is located to the rear and a small brick built store is located off the kitchen. A door leads to the rear communal garden.

The bathroom has no window (but has an extractor fan), a WC, wash hand basin, bath and a shower over the bath (provided by the tenant).

The dwellinghouse does not appear to have been rewired recently but nonetheless the electrical system appeared to be adequate. The dwellinghouse has double glazing throughout and is in a fair state of repair. It was noted that the rubber seals in windows in the back bedroom had failed.

The dwellinghouse does not have a central heating system and all heating appliances are supplied by the tenant. All furniture is supplied by the tenant.

DECISION AND REASONS

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.

In terms of section 48 of the Rent (Scotland) Act 1984, the Committee is required to fix a rent that is or would be a fair rent under a regulated tenancy.

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.

As indicated, the Committee had details of two recently Registered Rent decisions.

The first of these properties was located at 11 Devanha Terrace, Aberdeen and the second was at 3 Prospect Terrace, Aberdeen. The Committee noted the former property was a purpose built maisonette in a locality near the dwellinghouse. It was a modernised property with central heating. The latter was a first floor modernised flat without central heating. This property was also located in an area near the dwellinghouse. However the Committee could not inspect either of these properties and were unable to determine the extent of the modernisation

or the effectiveness of the central heating. Given this and the lack of information showing how these registered rents had been determined, the Committee did not consider it appropriate to place significant weight on these properties as comparables.

The Committee had a valuation report from Graham and Sibbald (relating to the dwellinghouse) and noted that the author of the report concluded that the market rent for the dwellinghouse would be in the region of £600 per month and the fair rent £400 per month. However the author of the report gave no comparables or other evidence to support his conclusions and the Committee felt this lessened the authority of the report and the weight that could be attached to it.

Little evidence was produced in relation to capital values. Given the lack of available evidence, the Committee decided it was not appropriate to proceed on the basis of capital value.

The Committee therefore turned to look at evidence of market rents. From its own knowledge, and from the schedules provided by Property Departments in solicitors' offices and information available on the internet, the Committee were of the opinion that a two bed roomed, unfurnished, centrally heated flat of similar size and in a similar location in Aberdeen would be available for rental of around £725 per month. However the Committee considered that a number of deductions should be made to take account of various factors.

Thus:

Market rent (per month)	£725
Less allowance *	£50
Less allowance **	£75
	<u>£125</u>
	<u>£600</u>

* The Committee recognised that a flat with central heating would be more desirable than a property without central heating. Consequently the Committee considered it appropriate to take account of this factor.

** The Committee considered that the general condition of the kitchen and the bathroom was such that it would be less desirable than a property with a modern kitchen and bathroom. Consequently the Committee considered it appropriate to take account of this factor.

The concept of scarcity is an important feature of the fair rent scheme under the Rent (Scotland) Act 1984. The Committee considered if it would be appropriate to make any deduction for scarcity. Having done so the Committee concluded that there was scarcity in relation to properties similar to the dwellinghouse and which were in similar locations in Aberdeen. This was confirmed by the relatively short period of time properties "to let" remained on the market, the lack of properties available to let in Aberdeen and the general demand for rented properties throughout the city. The Committee considered that in general the levels of scarcity were higher in Aberdeen than in other cities in Scotland. This was because of a number of factors including the economy of the area, an increase in population, the significant number of students in the city and a general increase in the numbers of individuals and couples seeking to rent property (rather than purchasing). Consequently the Committee considered it appropriate to make a further deduction of one third for scarcity. In all these circumstances the Committee concluded that a fair rent for the dwellinghouse would be £400 per calendar month (£4800 per year).

... R Handley Chairman

..... 1 NOVEMBER 2008 Date