



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G11/688	21 April 2009	Landlord

ADDRESS OF PREMISES

2/1, 34 Chancellor Street, Glasgow, G11 5RL

TENANT

Ms S Drewell

NAME AND ADDRESS OF LANDLORD	AGENT
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Partick H.A. Ltd.
10 Mansefield Street
Glasgow
G11 5QP

N/A

DESCRIPTION OF PREMISES

Second floor traditional tenement flat circa 1900 comprising living room, two bedrooms, kitchen and dark bathroom.

The gross internal floor area is 67 sq. m.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
LAYMEMBER

Mr R Handley LLB
Mr M Links FRICS
Mr S Campbell

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 5100.00 p.a.	22 June 2009	8 May 2009

..... **R Handley**

Chairman of Private Rented Housing Committee

..... 22 June 2009

Date

PRIVATE RENTED HOUSING COMMITTEE**HELD ON: 22 JUNE 2009****PROPERTY: 2/1, 34 CHANCELLOR STREET, GLASGOW, G11 5LR****STATEMENT OF REASONS****INTRODUCTION**

This is a reference to the Private Rented Housing Panel for the determination of a fair rent under the Rent (Scotland) Act 1984 ("the Act") by the landlords, Partick Housing Association, 10 Mansfield Street, Glasgow in relation to the property at 2/1, 34 Chancellor Street, Glasgow ("the dwellinghouse"). The tenant is Miss S Drewell. The original rent paid by the tenant was £2,250.36 per year. The landlords applied for a rent of £2,846.40 per year. The Rent Officer determined a rent of £2,737.44 per year.

The tenant was present at the inspection and the landlords were represented.

Miss Drewell had intimated that she wished to attend a Hearing and it was agreed that the Hearing would be held in the dwellinghouse immediately after the inspection.

THE DOCUMENTATION

The Committee had the following documents before it: the Rent Register documents and written representations. The Committee also had details of three other comparable properties.

THE INSPECTION/HEARING

Mr Robert Shea, Clerk to the Private Rented Housing Panel, introduced Miss Drewell to the Committee.

Miss Drewell told the Committee she had lived in the dwellinghouse for 14 years and she reminded the Committee that there was no central heating in the dwellinghouse. She explained that she had replaced the wall cupboards and worktop in the kitchen – the cooker and washing machine belonged to her. She had carpeted the dwellinghouse and subsequently replaced the carpets with laminate flooring.

Ms Donnelly (on behalf of the landlords) advised that the proposed increase in rent was in line with the housing policy of the landlords.

DESCRIPTION OF THE DWELLINGHOUSE

The dwellinghouse is located at 2/1, 34 Chancellor Street, Glasgow and is a three room second floor flat in a block of nine tenement flats built circa 1890. The walls are grey stone and the roof is tiled. The Committee noted that the roof, drain pipes and guttering were in a reasonable state of repair. The dwellinghouse is located near shops, schools, churches and licensed premises. Bus and "Underground" stops are located nearby.

The dwellinghouse is accessed through a communal door which has a secure entry system. A communal courtyard is situated to the rear of the property. The dwellinghouse has single glazing in all rooms and has no central heating system.

The front door opens to a hallway, off which are the two bedrooms, the living room, bathroom and kitchen. The dwellinghouse has a gross internal floor area of 67 square metres or thereby.

The living room has an oriel window which overlooks the front of the property.

The kitchen contains units, a sink, cooker, washing machine and fridge/freezer. The domestic appliances and the cupboard doors are provided by the tenant.

One bedroom overlooks the front of the property, the other overlooks the rear.

The bathroom has a WC, wash hand basin and bath (with an electric shower supplied by Ms Drewell).

The electrical system throughout the dwellinghouse is dated but adequate. The dwellinghouse is generally in a reasonable state of repair and decoration, as is the common stair and the communal court yard area to the rear of the property.

The Committee noted that the landlords do not provide furniture or services.

DECISIONS 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 Committee (now the Private Rented Housing Panel), 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 Act, 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:

- determining a fair rent by having regard to registered rents of comparables houses in the area;
- taking market rents and then discounting for any scarcity element and making any appropriate disregards as required by section 48(3);
- 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.

No evidence was produced in relation to capital values. The Committee decided it was therefore inappropriate to proceed on the basis of capital value.

The Committee had details of three recently Registered Rent decisions. The first of these related to a three roomed tenement flat at 3/1, 75 Chancellor Street, Glasgow. This property was described as having a "galley kitchen", had an electric shower, gas central heating and double glazing. It was noted that the Committee who determined the rent for this property found that rents for similar properties in the Partick area ranged from £475 to £500 per month. The second Registered Rent decision related to property which was again located in the Partick area at 1/2, 4 Meadow Road, Glasgow. This three roomed property also had a "galley kitchen", gas central heating and double glazing. The Registered Rents for both these properties was determined at £5,400 per year. However the Committee noted that the rent in relation to the property at 3/1, 75 Chancellor Street was determined on 19 May 2008 and the rent for 1/ 2, 4 Meadow Road was determined on 22 May 2008. From the evidence available, the Committee considered it likely that there had been an increase in market rents since then. The third Registered Rent decision related to property at 1/R, 7 Fairlie Park Drive, Glasgow. However this property had two rooms and it was noted that the Committee on that occasion made a deduction of 20% to reflect an element of scarcity. In these circumstances the Committee considered that the property at Fairlie Park was of little value in determining the rent for the dwellinghouse.

The Committee also considered that it was appropriate to compare open market rents and thereafter determine if it was necessary to make a deduction for scarcity and if it was appropriate to make any other deductions.

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 by the Committee as comparables. However the Committee had details of a number of three roomed properties available for rent in the Partick area of Glasgow. The rents for these properties ranged from £500 to £600 per month.

From its own experience, knowledge and from the information available on the internet, in the GSPC and in local Estate Agents, the Committee was of the opinion that an unfurnished three roomed tenement flat in the Partick area of Glasgow would be available to rent for around £550 per month ("the market rent"). Given that there had been an increase in market rents since May 2008, the Committee considered that a monthly rental of £550 was not inconsistent with the rents determined by Committees in the properties at 3/1, 75 Chancellor Street and 1/2, 4 Meadow Road, Glasgow

The Committee was of the view that there was no scarcity in relation to properties similar to the dwellinghouse in the Glasgow area. This was confirmed by the numbers of properties available to let in publications such as the GSPC Newsletter and in local Estate Agents.

However the Committee considered that a deduction should be made to take account of a number of factors including the general condition of the dwellinghouse.

Thus:

Market rent (per month)

£ 550

*Less allowance

£ 125

£ 425

* The Committee recognised that some prospective tenants would consider a property with white goods (a fridge, freezer, washing machine and cooker), carpets, a modern kitchen and modern bathroom more desirable than one in a similar condition to the dwellinghouse. Similarly a property with double glazing and central heating would increase the marketability of the property. Consequently the Committee considered that it was appropriate to make a deduction of £125 to take account of these factors.

Taking into account all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent for the dwellinghouse

would be £425 per month (£5,100.00 per year).

The Committee noted that the rent now determined is significantly higher than the previous rent and were mindful of the impact of this increase on the tenant. The Committee reminded the landlords of the provisions of section 33 of the Act.

..... **R Handley** Chairman

..... *5 July 2009* Date