



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G31/744	25 March 2010	Landlord

ADDRESS OF PREMISES

0/1, 664 Alexandra Parade, Glasgow, G31 3LH,

TENANT

Mrs McKerlie

NAME AND ADDRESS OF LANDLORD

WF Fulton & Others
10 Broompark Drive
Newton Mearns
Glasgow
G77 5DX

AGENT

WM Cumming Turner & Watt
40 Carlton Place
Glasgow
G5 9TS

DESCRIPTION OF PREMISES

Ground floor traditional tenement flat circa 1900 comprising two rooms, kitchen and bathroom.

Gross floor area – 64 square metres.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

Mrs A McCamley BA LLB NP
Mr M Links
Mr T Keenan

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£3450.00 p.a.	28 May 2010	28 May 2010

A McCamley

Chairman of Private Rented Housing Committee

3/6/10

Date

STATEMENT OF REASONS
PRIVATE RENTED HOUSING COMMITTEE

INSPECTION : 28th MAY 2010

PROPERTIES : 664 Alexandra Parade, Glasgow
672 Alexandra Parade, Glasgow
684 Alexandra Parade, Glasgow

Introduction

1. The Committee comprised Mrs. Anne McCamley, Chairman, Mr. Mike Links, Surveyor and Mr. Tom Keenan, Housing Member.
2. The Landlord is W.F. Fulton and others. The Tenants are Mrs. J. McKerie at 664 Alexandra Parade, Mr. and Mrs. J. Scott at 672 Alexandra Parade and Ms. P. Miller at 684 Alexandra Parade. This reference to the Private Rented Housing Committee for the Determination of a fair rent under the Rent (Scotland) Act 1984 in respect of the above properties arises from dissatisfaction on the part of the Landlord.
3. The original, proposed, and Rent Officer's rent for each of the three properties are identical. The original rent was £2,075.00 per annum. The Landlord applied for a rent of £3,750.00 per annum. The Rent Officer determined a rent of £3,150 per annum.

Description of Property

4. On the morning of the 28th of May 2010 the Committee carried out an inspection of the three properties. Each property forms part of a conventional four storey gray sandstone Glasgow tenement building containing eight flats and built circa 1890. There is a shared back court.

Alexandra Parade is on a main bus route into the City. There is good provision for shopping. The railway station is close at hand and Alexandra Park lies opposite the properties. The area is well served by local amenities. Denniston is a thriving popular district in which to live. Each flat comprises two rooms, kitchen and bathroom and extends to 64 sqm gross internal area or thereby. Each is let

as an unmodernised property.

664 Alexandra Parade has a newer electrical system than the other two properties however unlike the other two properties it is exhibiting signs of rising dampness in the hallway and bedroom. Otherwise the properties are of a similar size and have been let in a similar condition.

The Hearing

5. A Hearing took place at the offices of the Private Rented Housing Panel in West Campbell Street, Glasgow on the afternoon of the 28th of May 2010. The Landlord was represented by Mr. Donald of Murray and Muir, Chartered Surveyors. Mr. Ferrie represented Mrs. McKerlie and Mr. and Mrs. Scott were represented by their nephew Mr. Gordon Donald.

On behalf of the Landlord Mr. Ian Donald asked the Committee to adopt the market value less scarcity approach to the determination of a fair rent in these cases. He conceded the properties were largely unimproved and in his written submission which had been previously circulated to the Tenants and their agents he detailed the cost of renovation in terms of modernisation and equipment which would be required before the property would be re-let.

Mr. Ferrie on behalf of Mrs. McKerlie indicated he did not consider the Craigpark Drive comparable which had been provided by the Panel's Administration to be a sound comparable as that property was thirty years younger and was in a much quieter location. He emphasised that the windows of number 664 should be replaced and the central heating was a Tenant improvement, there was dampness in the property and a new door would be an essential requirement of any re-let. Mrs. McKerlie herself advised that the garden to the front was not an asset to her, nor was the close proximity of a bus stop.

Mr. Gordon Donald on behalf of Mr. and Mrs. Scott asked the Committee to note no improvements had been carried out to his relatives property and it lacked basic amenities.

Ms. Miller did not attend the Hearing and was not represented.

The Decision

6. In terms of Section 48(1) of the 1984 Act, the duty of the Committee when determining what rent would be a fair rent under a regulated tenancy, is to have regard to all the circumstances (other than personal circumstances), and, in particular to apply their knowledge and experience of current rents of other comparable properties 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. Disrepair or defect attributable to the Tenant should be disregarded as should any improvements made by the Tenant, otherwise than in pursuance of the terms of the tenancy. Improvements by the Landlord are taken into account. In reaching its final determination the Committee complied with its duty as set out above.

7. The Committee carefully considered all the evidence presented together with the observations made by Committee Members at the internal and external inspection. In particular, the Committee considered carefully which of the three alternative methods of ascertaining a fair rent was most appropriate in this case. The three accepted methods used in Scotland are:-
 - (a) determining a fair rent by having regard to registered rents of comparable houses in the area
 - (b) calculating the appropriate return based on the capital value of the property
 - (c) taking market rents and then discounting any scarcity element and making appropriate disregard as required by Section 48(3).

None of these methods is regarded as being the primary method and the method chosen by the Committee will depend in each case upon the evidence available. In this case the Landlord asked the Committee to adopt the market rent approach and mindful of the observations by the Lord President in the case of *Western Heritable v. Hunter* (2004) the Committee was aware of the need to

proceed on the basis of the best available evidence using other available evidence as a

check where possible. In this case, the Committee felt the best available evidence was the evidence from Mr. Donald regarding market rents together with their own knowledge and experience of rents passing and being asked in the local market place. We proceeded to consider the case using the market rent less any discount for scarcity approach. Like Mr. Ferrie we did not consider the comparable (Craigpark Drive) to be particularly helpful.

8. Using its own knowledge and experience and having regard to other properties available for let in the area the Committee considered that a market rent for a double glazed, centrally heated fully modernised two room and kitchen of the type and in the locality of the present properties would be £400.00 per calendar month (£4,800.00 per annum). We arrived at this figure after researching the up-to-date rentals achieved for this type of property through the newspapers, the internet and making enquiries with letting agencies. We took account of the submissions made by Mr. Ian Donald regarding his researches.

The subject properties must be valued as having no central heating. We considered all the properties required new kitchens and bathrooms. They would all require double glazing and it is our view that they would all require to be re-wired. We noted the property at 664 Alexandra Parade had newer wiring than the other properties however we are not satisfied the wiring would meet current standards. The properties also require to be provided with floor coverings, white goods and there are various other miscellaneous repairs which require to be carried out. We considered a total of £1,350.00 per annum should be deducted from the open market figure to take account of these factors leaving a net figure of £3,450.00 per annum.

To arrive at our deductions we estimated the life of the items and adopted a straight line depreciation approach.

Thus:-	kitchen	£3,000 written down over 10 years = £ 300 p/a
	bathroom	£3,000 written down over 10 years = £ 300 p/a
	wiring	£3,000 written down over 15 years = £ 200 p/a
	central heating	£3,000 written down over 15 years = £ 200 p/a
	double glazing	£3,000 written down over 15 years = £ 200 p/a
	floor coverings, repairs and redecorations	£1,500 written down over 10 years = <u>£ 150</u> p/a
		£1,350 p/a

9. We then proceeded to consider whether any further deductions required to be made in terms of Section 48 (the factor commonly referred to as scarcity) of the 1984 Act but the Committee was satisfied that in the Glasgow area as a whole there could not be said to be scarcity of similar properties to let at the present time. The Committee was satisfied that there is currently an equilibrium in the market.
10. Having taken all relevant factors into account the Committee determined that a fair rent for each of the properties is £3,450.00 per annum. In reaching this decision the Committee had regard to all documentary and other evidence and all the circumstances that require to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.
11. It should be noted that any increase in rent imposed in consequence of this decision must be applied in accordance with the provisions of Section 33 of the Rent (Scotland) Act 1984 and the Limits on Rent Increases (Scotland) Order 1989 No.2469(S168). These provisions specify the limits for the phasing in of significant increases.
12. The effective date is the 28th of May 2010.

A McCamley

Chairman