



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G42/747	12 April 2010	Landlord

ADDRESS OF PREMISES

2/2, 256 Calder Street, Glasgow, G42 7PG,

TENANT

Mrs McAllister

NAME AND ADDRESS OF LANDLORD

Coatbridge Property Co. Ltd.
195 Main Street
Bellshill
ML4 1AH

AGENT

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

DESCRIPTION OF PREMISES

Second floor traditional tenement flat circa 1900 with double glazing comprising two rooms, recessed kitchen and bathroom.

Gross floor area – 32 square metres.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
HOUSING PANEL MEMBER

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

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£3150.00 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

PROPERTY : 256 Calder Street, Glasgow

Introduction

1. The Committee comprised Mrs. Anne McCamley, Chairman, Mr. Mike Links, Surveyor and Mr. Tom Keenan, Housing Member.
2. The Landlord is the Coatbridge Property Company Limited. The Tenant is Mrs. McAllister. 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 second floor flat at 256 Calder Street, Glasgow arises from dissatisfaction on the part of the Landlord.
3. The original rent was £2,270.00 per annum. The Landlord applied for a rent of £3,200.00 per annum. The rent determined by the Rent Officer was £2,900.00 per annum.

Description of Property

4. On the morning of the 28th of May 2010 the Committee carried out an inspection of the property. The property is a second floor flat forming part of a traditional Govanhill tenement building. There is a drying area to the rear. No services are provided by the Landlord. The stair has the benefit of a door entry system. The property is located in a busy residential area close to shops and other amenities. There are good transport links both across and into the City. The property is beautifully maintained by the Tenant.
5. The flat comprises a kitchen living room with a bedroom and a bathroom.

6. The property does not appear to have been re-wired recently however the electrical system appears adequate. Some upgrading is required to both the kitchen and bathroom. There is no central heating system. All heating appliances are supplied by the Tenant. The kitchen units are supplied by the Landlord however all the white goods belong to the Tenant. All furniture and floor coverings have been provided by the Tenant.

The Hearing

7. A Hearing took place at the Glasgow offices of the Private Rented Housing Panel on the afternoon of the 28th of May. The Tenant did not attend. Mr. Donald who acted on behalf of the Landlord had earlier provided a written submission to the Committee in respect of this property. Mr. Donald went through the terms of his submission and asked the Committee to adopt the market rent approach in determining a fair rent for the subjects.

The Committee sought some clarification from Mr. Donald regarding his valuation methodology before reaching their decision.

The Decision

8. 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.

9. 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 and together with our 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.

10. Using its knowledge and experience and having regard to other properties available for let in the area and having regard to the submission made by Mr. Donald the Committee considered that a market rent for a double glazed, centrally heated unfurnished room and kitchen of the type and in the locality of the present property would be £325.00 per month (£3,900.00 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. The subject property must be valued as having no central heating, no double glazing, no floor coverings or white goods. We also considered an upgrade was required to both the kitchen and the bathroom to

make this property attractive in the letting market. We considered a total of £750.00 per annum should be deducted from the open market figure to take account of these factors leaving a net figure of £3,150.00 per annum.

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

Thus:- kitchen upgrade	£1,500 written down over 10 years = £150 p/a
bathroom upgrade	£1,500 written down over 10 years = £150 p/a
carpets/decor	£1,000 written down over 10 years = £100 p/a
double glazing	£2,250 written down over 15 years = £150 p/a
central heating	£3,000 written down over 15 years = <u>£200</u> p/a
	£750 p/a

11. 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.
12. Having taken all relevant factors into account the Committee determined that a fair rent for the property is £3,150.00 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.
13. 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.
14. The effective date is the 28th of May 2010.

Anne McQuibby
Chairman