



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

**Notification Of Decision By The Private Rented Housing Committee**

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<b>REFERENCE NO:</b>	<b>OBJECTION RECEIVED</b>	<b>OBJECTION</b>
RAC/G42/9JU	12 April 2010	Landlord

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**ADDRESS OF PREMISES**

3/1,22 Lochleven Road, Glasgow, G42 9JU,

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**TENANT**

Mr Bowman

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**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

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**DESCRIPTION OF PREMISES**

Third floor traditional tenement flat circa 1900 with partial double glazing comprising three rooms, scullery, kitchen and bathroom.

Gross floor area – 63 square metres.

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**SERVICES PROVIDED**

None

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**COMMITTEE MEMBERS**

**CHAIRMAN**  
**SURVEYOR**  
**HOUSING PANEL MEMBER**

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

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<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£3750.00 p.a.	28 May 2010	28 May 2010

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**A McCamley**

Chairman of Private Rented Housing Committee

3/6/10

Date

**STATEMENT OF REASONS**  
**PRIVATE RENTED HOUSING COMMITTEE**

**INSPECTION :** 28th MAY 2010

**PROPERTY :** 22 Lochleven Road, Glasgow

**Introduction**

1. The Committee comprised Mrs. Anne McCamley, Chairman, Mr. Mike Links, Surveyor and Mr. Tom Keenan, Housing Member.
2. The Landlord is Coatbridge Property Company Limited. The Tenant is Mr. R. Bowman. This reference to the Private Rented Housing Committee for the Determination of a fair rent under the Rent (Scotland) Act 1984 is in respect of the flat at 22 Lochleven Road, Glasgow and arises from dissatisfaction on the part of the Landlord.
3. The original rent was £2,650.00 per annum. The Landlord applied for a rent of £4,000.00 per annum. The rent determined by the Rent Officer was £3,324.00 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 top floor flat in the Langside/Battlefield area of the City. This is a popular residential area with good transport links into the City. It is close to colleges of further education and the Victoria Infirmary. It is well served by shops, schools and restaurants. There is a communal drying area to the rear. No services are provided by the Landlord. The stair has the benefit of a door entry system.
5. The flat comprises two rooms, kitchen and bathroom. The front rooms comprise a stylish sitting room and front bedroom. The arrangement at the rear of the property is unusual in so far as the kitchen has been configured to include a breakfast bar and a bed.

6. The wiring is of an older style. The windows to the front are the original sash and case style. The Tenant advises these are neither wind nor water tight. The property is double glazed at the rear. This double glazing is in need of upgrading. There is no central heating system. All heating appliances are supplied by the Tenant. The Tenant has provided all the kitchen units and appliances. All furniture and floor coverings have been provided by the Tenant.

### The Hearing

7. A Hearing had been requested and took place in the offices of the Private Rented Housing Panel in West George Street, Glasgow at 2 o'clock on the 28th of May. The Tenant was represented by his partner Ms. Allan and the Landlord was represented by Mr. Donald, Chartered Surveyor from Murray and Muir, Chartered Surveyors.
8. Mr. Donald had presented a written submission to the Committee along with his application. He relied on the terms of his written submission at the Hearing emphasising that there was no scarcity in Glasgow at the present time and the fair rent should be the market rent. Members of the Committee were able to question Mr. Donald on the cost of modernisation and improvement detailed in his submission at page 15. Mr. Donald very fairly conceded the figure could be on the "light side".

Miss Allan on behalf of the Tenant took the view that the property would be difficult to re-let in its current condition given the unusual layout of the kitchen and the fact that the Landlord has not made any improvements in the recent past.

### Decision

9. 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.

10. 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 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.

11. Using its own knowledge and experience and having regard to the submissions made by Mr. Donald the Committee considered that a market rent for a modernised double glazed, centrally heated re-wired properly configured property of the type and in the locality of the present property would be £425.00 per calendar month (£5,100.00 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. However the subject property must be valued having regard to the improvements required to the kitchen, the bathroom, the wiring, the heating, glazing and floor covering/miscellaneous repairs. 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 annual rental of £3,750.00 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 covering / repairs / reconfiguration	£1,500 written down over 10 years = <u>£ 150</u> p/a
		£1,350 p/a

12. 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.

13. Having taken all factors into account the Committee determined that a fair rent for the property is £3,750.00 per annum. In reaching this decision the Committee had regard to all the 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.
14. 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.
15. The effective date is the 28th of May 2010.

**A McCamley**

*Chairman* 