



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

| REFERENCE NO: | OBJECTION RECEIVED | OBJECTION |
|---------------|--------------------|-----------|
| RAC/PA15/795 | 24 March 2011 | Landlord |

ADDRESS OF PREMISES

0/1, 69 Dempster Street, Greenock, PA15 4EE

TENANT

Mr William Anderson

| NAME AND ADDRESS OF LANDLORD | AGENT |
|---|-------|
| Oaktree Housing Association Ltd 41 High Street Greenock PA15 1NR | |

DESCRIPTION OF PREMISES

Ground floor flat in pre-1919 traditional tenement building, comprising 3 rooms, galley kitchen and bathroom, with central heating.
Floor area approximately 64 square meters.

SERVICES PROVIDED

Common Garden Maintenance

COMMITTEE MEMBERS

| | |
|----------------------|---------------------------------|
| CHAIRMAN | J Taylor LLB Dip LP NP |
| SURVEYOR | S Hesp LLB(Hons) BA(Hons) MRICS |
| HOUSING PANEL MEMBER | C Harvey |

| FAIR RENT | DATE OF DECISION | EFFECTIVE DATE |
|----------------|------------------|----------------|
| £ 4680.00 p.a. | 16 June 2011 | 16 March 2011 |

J Taylor

Chairman of Private Rented Housing Committee

21st June 2011

Date



STATEMENT OF REASONS

in connection with

INSPECTIONS HELD ON 16th June 2011

In relation to the properties

2/2, 61 Nicholson Street, Greenock; 3/3, 61 Nicholson Street, Greenock; 1/1, 46 Inverkip Street, Greenock; 0/2, 7 Brachelston Street, Greenock; 1/1, 8 Murdieston Street, Greenock; 1/1, 12, Murdieston Street, Greenock; 0/1, 69 Dempster Street, Greenock; 1/2, 69 Dempster Street, Greenock; 1/1, 71 Dempster Street, Greenock and 2/1, 71 Dempster Street, Greenock.

1. THE LANDLORD

The Landlord of all of the properties is Oaktree Housing Association Limited ('The Landlord').

2. THE PROPERTIES

2.1 2/2, 61 Nicholson Street, Greenock

2.1.1 Background

The Tenant is Mrs J Gamble. She has been a tenant of the property for 60 years.

Her tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2400 per annum. The Landlord applied for the rent to be increased to £2884.92. The Rent Officer registered a rent of £2760 per annum with effect from 16th March 2011. The Landlord referred the determination to the Private Rented Housing Panel ('PRHP').

2.1.2 The Inspection

The committee inspected the property, which is an improved second floor flat in a four storey, traditional blonde sandstone tenement, which dates from circa 1890. The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past.

The accommodation comprises double bedroom, living room, kitchen and internal dark bathroom. The windows throughout the property are double glazed and there are electric

storage heaters throughout the property. The bathroom fittings were replaced approximately a year ago.

The floor area of the property is approximately 39 square meters.

There is a communal area at the rear of the tenement. The bins are stored in the communal cellar in the basement. The services of common garden maintenance are provided by the Landlord.

The property is conveniently situated for public transport and local services.

2.2 3/3, 61 Nicholson Street, Greenock

2.2.1 Background

The Tenant is Mr E Lennon. He has been a tenant of the property since approximately 1973. His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984. The current rent is £2400 per annum. The Landlord applied for the rent to be increased to £2884.92. The Rent Officer registered a rent of £2760 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.2.2 The Inspection

The committee inspected the property, which is an improved top floor flat also located in the tenement 61 Nicholson Street, Greenock, described above. The accommodation comprises double bedroom, living room, kitchen and internal dark bathroom. The windows throughout the property are double glazed. The kitchen and bathroom fittings date from approximately 1995. There is gas central heating in the property which was installed in April 2011.

The floor area of the property is approximately 50 square meters.

2.3 1/1, 46 Inverkip Street, Greenock;

2.3.1 Background

The Tenant is Mrs Jean Hair. She has been a tenant of the property since 1946.

Her tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2400 per annum. The Landlord applied for the rent to be increased to £2880.60. The Rent Officer registered a rent of £2760 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.3.2 The Inspection

The committee inspected the property, which is an improved first floor flat in a four storey, traditional red sandstone tenement, which dates from circa 1890. The tenement is situated on a busy road, street parking is not permitted and there are shops and other commercial properties

situated on the ground floor. The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past.

The accommodation comprises double bedroom, living room, kitchen and dark bathroom. The windows throughout the property are double glazed. In the bathroom a walk-in shower had been installed by Independent Living. There is gas central heating in the property.

The floor area of the property is approximately 75 square meters.

There is a communal area at the rear of the tenement. The property is conveniently situated for public transport and local services. No services provided by the Landlord.

2.4 0/2, 7 Brachelston Street, Greenock;

2.4.1 Background

The Tenant is Mr J Mitchell. His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984. The current rent is £2400 per annum. The Landlord applied for the rent to be increased to £2911.32. The Rent Officer registered a rent of £2760 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.4.2 The Inspection

The committee inspected the property, which is an improved ground floor flat in a three storey, traditional blonde sandstone tenement, which dates from circa 1890. The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past.

The accommodation comprises double bedroom, living room, kitchen and dark internal bathroom. The windows throughout the property are double glazed and there are electric storage heaters throughout.

The floor area of the property is approximately 50 square meters.

There is a communal area at the rear of the tenement and the bins are stored in the communal cellar in the basement. The property is conveniently situated for public transport and local services.

The services of common garden maintenance are provided by the Landlord.

2.5 1/1, 8 Murdieston Street, Greenock;

2.5.1 Background

The Tenant is Mrs F Dewar. She has been a tenant of the property since 5th December 1988. Her tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2400 per annum. The Landlord applied for the rent to be increased to £2880.60. The Rent Officer registered a rent of £2760 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.5.2 The Inspection

The committee inspected the property, which is an improved first floor flat in a three storey, traditional blonde sandstone tenement, which dates from circa 1890.

The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past.

The accommodation comprises double bedroom, living room, kitchen and internal dark bathroom. The windows throughout the property are double glazed. The kitchen fittings had been replaced recently and there is gas central heating in the property.

The floor area of the property is approximately 50 square meters.

There is a communal area at the rear of the tenement and the bins are stored in the communal cellar in the basement. The property is conveniently situated for public transport and local services.

No services are provided by the Landlord.

2.6 1/1, 12, Murdieston Street, Greenock;

2.6.1 Background

The Tenant is Mrs Elizabeth Gair. She has been a tenant of the property for approximately 33 years. Her tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2600 per annum. The Landlord applied for the rent to be increased to £3114.36. The Rent Officer registered a rent of £2990.04 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.6.2 The Inspection

The committee inspected the property, which is an improved first floor flat in a three storey, traditional blonde sandstone tenement, which dates from circa 1890.

The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded 21 years ago.

The accommodation comprises two bedrooms, living room, galley kitchen and dark internal bath room. The windows throughout the property are double glazed. There is gas central heating in the property, which had been installed approximately 5 years ago.

The floor area of the property is approximately 53 square meters.

There is a communal area at the rear of the tenement. The bins are stored in the communal cellar in the basement. The property is conveniently situated for public transport and local services. The services provided by the Landlord are common garden maintenance.

2.7 0/1, 69 Dempster Street, Greenock;

2.7.1 Background

The Tenant is William Anderson. He has been a tenant of the property since 1969.

His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2600 per annum. The Landlord applied for the rent to be increased to £3239.28. The Rent Officer registered a rent of £2990.04 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.7.2 The Inspection

The committee inspected the property, which is an improved raised ground floor flat in a three storey, traditional blonde sandstone tenement, which dates from circa 1890.

The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past.

The accommodation comprises two bedrooms, living room, galley kitchen and dark internal bath room. The windows throughout the property are double glazed. The kitchen fitments had been replaced three weeks ago. The bathroom fitments are approximately 17 years old and there is gas central heating in the property.

The floor area of the property is approximately 64 square meters.

There is a communal area at the rear of the tenement. The bins are stored in the communal cellar in the basement. The property is conveniently situated for public transport and local services.

The services of common garden maintenance are provided by the Landlord.

2.8 1/2, 69 Dempster Street, Greenock;

2.8.1 Background

The Tenant is John Cairns. He has been a tenant of the property since approximately 1992.

His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2400 per annum. The Landlord applied for the rent to be increased to £2911.32. The Rent Officer registered a rent of £2760 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.8.2 The Inspection

The committee inspected the property, which is an improved first floor flat also located in the tenement 69 Dempster Street, Greenock, described above. The accommodation comprises, double bedroom, living room, galley kitchen and dark internal bath room. The windows throughout the property are double glazed. The kitchen fitments had been replaced last week

and the bathroom fittings were last upgraded in 1993. There is gas central heating in the property, which had been installed in December 2010. The floor area of the property is approximately 50 square meters.

The services of common garden maintenance are provided by the Landlord.

2.9 1/1, 71 Dempster Street, Greenock

2.9.1 Background

The Tenant is Mary Smith. She has been a tenant of the property since 5th December 1988.

Her tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2600 per annum. The Landlord applied for the rent to be increased to £3208.56. The Rent Officer registered a rent of £2990.04 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.9.2 The Inspection

The committee were unable to gain access to the property but from the papers and an external inspection they determined that the property is an improved first floor flat in a three storey, traditional blonde sandstone tenement, which dates from circa 1890. The tenement has a tiled roof, a communal door entry system and had been refurbished and upgraded in the past. The accommodation comprises two bedrooms, living room, kitchen and bathroom. The windows throughout the property are double glazed.

There is a communal area at the rear of the tenement and the bins are stored in the communal cellar in the basement. The property is conveniently situated for public transport and local services. No services are provided by the Landlord.

2.10 2/1, 71 Dempster Street, Greenock.

2.10.1 Background

The Tenant is Mr Leslie Smith. He has been a tenant of the property for 34 years.

His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2600 per annum. The Landlord applied for the rent to be increased to £3208.56. The Rent Officer registered a rent of £3003 per annum with effect from 16th March 2011. The Landlord referred the determination to the PRHP.

2.10.2 The Inspection

The committee inspected the property, which is an improved second floor flat located in the tenement 71 Dempster Street, Greenock, described above.

The accommodation comprises double bedroom, living room, kitchen and internal dark bathroom. The windows throughout the property are double glazed. The kitchen fitments had been replaced last week and the bathroom fitments were installed approximately 15 years ago. There is gas central heating in the property. The floor area of the property is approximately 50 square meters.

There is a communal area at the rear of the tenement and the bin storage area is located here. The property is conveniently situated for public transport and local services. The services provided by the Landlord are common garden maintenance.

4. THE HEARING

No hearing was requested.

5. THE DECISION

The committee had the following documents before them:-

- A copy of form RR1, the Landlord's application for registration of the rent.
- Written representations from the Landlord which state:-

'The Association objects to the rents set by the Rent Officer. The Association sets rents according to its own rent policy, which applies to all stock for which it has control over rent setting. The rents proposed to the Rent Officer were based on this policy. Social rented sector rents are lower by a substantial margin than private sector rents. Neighbours within the same closes who do not have secure tenancies are paying a higher rate and the effect of the Rent Officer is to increase this disparity in every case.

The Association has continued to maintain these properties to a high standard and properties are maintained and upgraded in accordance with the association's planned and Cyclical Maintenance Policy. The Association does not seek to put up the rent when improvements are made, so it is unlikely these investments were recognised at the last rent assessment, but the substantial and continuing investment in the properties should be recognised in the rent.

The association does not consider that the differences in size and attributes justifies the differences in the rent levels set between the properties and the differential between the rents proposed by the Association being greater in some cases than others.'
- Written representations from E Lennon, the tenant of Flat 3/3, 61 Nicholson Street, Greenock, which state:-

'I am not happy with the suggested rent rise. The Landlord is asking for a rise of 20% over the next three years. In my estimation this is nearly £10 per week. While the chancellor is

predicting that inflation will rise between 2% and 2.5% next year then why is the Landlord asking for between 6% and 5% increase over the next three years.

I believe that the Rent Officer's assessment of £230 per calendar month is much more acceptable as there has been no major works undertaken at this property since the refurbishment in 1994-1995.'

- The decision of the PRHP dated 13th October 2010 which determined the following rents:-

| Address | Accommodation | Rent | Services | Effective Date |
|----------------------------------|---|-------|------------------------|---------------------------------|
| G/L, 46 Finnart Street, Greenock | Living room, 2 bedrooms, dining kitchen, bathroom. Electric heating, double glazing. Floor area 88 sq m | £4900 | Included- less than 5% | 29 th September 2010 |
| 1/L, 46 Finnart Street, Greenock | Living room, 2 bedrooms, dining kitchen, bathroom. Electric heating, double glazing. Floor area 88 sq m | £4900 | Included- less than 5% | 29 th September 2010 |
| 1/R, 46 Finnart Street, Greenock | Living room, 1 bedroom, dining kitchen, bathroom. Electric heating, double glazing. Floor area 57 sq m | £3600 | Included- less than 5% | 29 th September 2010 |
| G/L, 48 Finnart Street, Greenock | Living room, 2 bedrooms, dining kitchen, bathroom. Electric heating, double glazing. Floor area 88 sq m | £4900 | Included- less than 5% | 29 th September 2010 |
| 2/R, 48 Finnart Street, Greenock | Living room, 1 bedrooms, dining kitchen, bathroom. Electric heating, double glazing. Floor area 57 sq m | £3600 | Included- less than 5% | 29 th September 2010 |
| G/L, 50 Finnart Street, Greenock | Living room, 2 bedrooms, dining kitchen, bathroom. Electric heating, double glazing. Floor area | £4900 | Included- less than 5% | 29 th September 2010 |

| | | | | |
|----------------------------------|--|-------|------------------------|---------------------------------|
| | 88 sq m | | | |
| 1/R, 50 Finnart Street, Greenock | Living room, 1 bedrooms, dining kitchen, bathroom. Electric heating, double glazing. Floor area 57 sq m | £3600 | Included- less than 5% | 29 th September 2010 |
| 2/L, 5 Newton Street, Greenock | Living room, 2 bedrooms, dining kitchen, bathroom. Gas central heating, double glazing. Floor area 57 sq m | £3900 | Included- less than 5% | 29 th September 2010 |
| 2/R, 5 Newton Street, Greenock | Living room, 2 bedrooms, dining kitchen, bathroom. Gas Central heating, double glazing. Floor area 57 sq m | £3900 | Included- less than 5% | 29 th September 2010 |

The committee considered the documents provided.

The committee were mindful of the terms of section 48(1) of The Rent (Scotland) Act 1984, which requires the committee 'to have regard to all of 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 dwelling house in question and to its state of repair and, if any furniture is provided for use under the tenancy, and to the quantity, quality and condition of the furniture'. Also section 48(2) which requires them to 'assume that the number of persons seeking to become tenants of similar dwelling- houses in the locality on the terms (other than those relating to rent) of the regulated tenancy is not substantially greater than the number of such dwelling- houses which are available to let on such terms.'

The committee carefully considered which of the three methods of assessing the rent was appropriate in this case. The three recognised methods used in Scotland are (1) determining the fair rent by reference to comparable registered rents in the area. (2) determining the fair rent by reference to market rents of comparable properties allowing for appropriate deductions for scarcity and (3) determining the fair rent by reference to the anticipated annual return based on the capital value of the property. None of these methods is the primary method. The appropriate method depends on the facts and circumstances of each case.

The parties did not produce evidence of comparable rents of other properties or capital valuations. The committee had obtained details of the market rents of many other similar sized properties available to lease in the area from the internet. In light of this evidence and the PRHP decision dated 13th October 2010, referred to above, the committee considered that the method of using comparable market rents was the best evidence available and proceeded to assess the rents of the properties using this method. The committee also acknowledged that there is a plentiful supply of similar properties to rent in the area and therefore there is no scarcity of supply of such properties at this time.

The committee from its own experience, knowledge and the information it had obtained from the internet acknowledged that the rentals of one bedroom properties in the Greenock area ranged from £365 to £375 per month and the rentals of two bedroom properties in the Greenock area ranged from £400 to £500 per month. The committee acknowledged that the PRHP decision dated 13th October 2010 stated that the range of rents for one bedroom properties in the Greenock area were £325 to £375 per month and two bedroom properties in the Greenock area were £425 to £550 per month. Therefore the committee acknowledged that the PRHP decision dated 13th October 2010 still reflected the current market rents of comparable properties in the Greenock area.

The committee considered the evidence of market rents in the PRHP decision dated 13th October 2010 to be the best evidence available. However adjustments were required to reflect the particular features of the property being considered including size, location and type of heating.

The committee's decisions are as follows:

2/2, 61 Nicholson Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has a smaller floor area than average floor area. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £3240 per annum.

3/3, 61 Nicholson Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has gas central heating and not electric heating. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £3800 per annum.

1/1, 46 Inverkip Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has a larger floor area than average floor area, it is located on a busy road above shops and it has gas central heating and not electric heating. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £3800 per annum.

0/2, 7 Brachelston Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £3600 per annum.

1/1, 8 Murdieston Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has gas central heating and not electric heating. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £3800 per annum.

1/1, 12, Murdieston Street, Greenock

The committee considers that this property is comparable with G/L, 46 Finnart Street, Greenock; 1/L, 46 Finnart Street, Greenock, G/L, 48 Finnart Street, Greenock, G/L, 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has a smaller floor area than average floor area and also it has gas central heating and not electric heating. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £4200 per annum.

0/1, 69 Dempster Street, Greenock

The committee considers that this property is comparable with G/L, 46 Finnart Street, Greenock; 1/L, 46 Finnart Street, Greenock, G/L, 48 Finnart Street, Greenock, G/L, 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has a smaller floor area than average floor area and also it has gas central heating and not electric heating. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £4680 per annum.

1/2, 69 Dempster Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has gas central heating and not electric heating. Having taken all the

relevant factors into account the committee determined that the fair rent for this property is £3800 per annum.

1/1, 71 Dempster Street, Greenock

The committee considers that this property is comparable with G/L, 46 Finnart Street, Greenock; 1/L, 46 Finnart Street, Greenock, G/L, 48 Finnart Street, Greenock, G/L, 50 Finnart Street, Greenock. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £4680 per annum.

2/1, 71 Dempster Street, Greenock

The committee considers that this property is comparable with 1/R, 46 Finnart Street, Greenock; 2/R 48 Finnart Street, Greenock and 1/R 50 Finnart Street, Greenock however adjustments are required to reflect the fact that this property has gas central heating and not electric heating. Having taken all the relevant factors into account the committee determined that the fair rent for this property is £3800 per annum.

In reaching this decision the committee have had regard to all the considerations required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984.

Whilst the committee have determined these fair rents they wish to advise the parties that the Landlord is entitled to charge rents below the determined rents.

This decision takes effect from the 16th day of March Two thousand and eleven.

J Taylor

Chairperson, 21 June 2011