



PRIVATE RENTED HOUSING PANEL

RENT (SCOTLAND) ACT 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO:	OBJECTION RECEIVED	OBJECTION
RAC/G73/675	7 January 2009	Landlord

ADDRESS OF PREMISES

2/3, 72 Main Street, Rutherglen, G73 2HY

TENANT

Mrs M Murray

NAME AND ADDRESS OF LANDLORD

Scottish Prudential Investment Assoc.

AGENT

Ross & Liddell
60 St Enoch Square
Glasgow
G1 4AW

DESCRIPTION OF PREMISES

Second floor traditional tenement flat circa 1900 with gas central heating and partial double glazing comprising living room, one bedroom, galley kitchen and dark bathroom.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN
SURVEYOR
LAYMEMBER

Mr A Cowan LLB(Hons) Dip LP
Mr G Campbell FRICS
Mrs T Ahmed

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 3420.00 p.a.	23 March 2009	23 March 2009

A
A Cowan

Chairman of Private Rented Housing Committee

23/3/09.

Date

PRIVATE RENTED HOUSING COMMITTEE

STATEMENT OF REASONS FOLLOWING A
DETERMINATION OF A FAIR RENT BY THE RENT
OFFICER

DATE OF INSPECTION AND DATE OF DECISION:
22ND MARCH 2009

PROPERTY AT FLAT 2/3, 72 MAIN STREET,
RUTHERGLEN, GLASGOW G73 2HY

1. THE PARTIES

The Landlord is Scottish Prudential Investment Association Limited, whose agents are Messrs Ross & Liddell, 60 St Enoch Square, Glasgow G1 4AW. The tenant is Mrs M Murray.

2. THE APPLICATION

The tenancy is a regulated tenancy.

On 26th November 2008, the Rent Officer registered a fair rent of £2900 per annum effective from that date.

The Landlord has timeously objected to that registered rent on the ground that it is too low. In particular the Landlord has argued that the Rent Officer's determination did not take account of changes in the rental market over the last few years. The Landlord has proposed a new rent of £3540 per annum.

Accordingly the matter is referred to the Private Rented Housing Committee for determination.

3. DESCRIPTION OF PROPERTY

The Committee inspected the property on the morning of 23rd March 2009. The Tenant was present during the inspection. The Landlord had been invited to the inspection but did not attend.

The property is a second floor flat, in a four storey red sandstone tenement building which was constructed circa 1900. The tenement has a tiled roof. There is a door entry system to the tenement and a communal area at the rear, part of which is a bin storage area and a communal drying green. The flat comprises of a bedroom, living room, galley style kitchen, and shower room. As part of a refurbishment programme of the block around 1989 the property was upgraded to include gas central heating and partial double glazing. The property is conveniently located for public transport and local services.

4. DOCUMENTATION

In addition to the extract from the Rent Register, the Committee considered:-

- (a) Form RO1 Application from the Landlord, the original application for registration for rent by the Landlord dated 16th September 2008.
- (b) Written representations from the Landlord dated 5th March and 20th March 2009.

5. HEARING

The Private Rented Housing Committee comprised Mr A S Cowan (Chairman), Mr G Campbell (Surveyor) and Ms Tanvir Ahmed.

Prior to the date of the hearing, the Tenant had indicated that she did not wish to attend the hearing. The Landlord was represented at the hearing by Mrs I Doyle, Estate Agency Manager, Messrs Ross & Liddell.

Ms Doyle gave evidence that another one bedroom flat in the same block at 72 Main Street, Rutherglen, had sold in June 2007 at a price of £70,000. Ms Doyle understood that that property had now been put on the market for rent and was currently achieving a rent of £380 per month. It was submitted that a fair rent for a property of this size would be £350 per month (£4200 per annum). It was submitted that there was not scarcity of flats of this type in

the Glasgow area. It was submitted that there were a number of available properties on the market and that there was at least equilibrium of supply and demand.

6. DECISION

The Committee considered all the evidence. 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 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 in the tenancy, the condition of the furniture. The Committee are required to assume that the number of persons seeking to become tenants of similar dwellinghouses 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 dwellinghouses in the locality which are available for letting on such terms (section 48(2)). Disrepair or defects 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. There were no such defects in this particular case, nor was any furniture provided. In reaching its determination, the Committee complied with its duty as set out above.

The Committee are aware of the need to proceed on the basis of the best available evidence using other available evidence as a check where possible. The Committee is required by Section 48 of The Rent (Scotland) Act 1984 to determine a fair rent by applying "their knowledge and experience of current rents of comparable property in the area". No capital valuations have been produced. The Committee noted the Landlord's evidence that a similar flat in the block was currently achieving £380 per month by way of rent. It was understood that property had been modernised and the flat was fully furnished, including white goods at the time it was let. No information of comparable registered rents was available for the Committee to consider.

Using its knowledge and experience and having considered asking rents for other similar properties available for let in this area, and taking account of the Landlord's own evidence of other rents for similar flats in the area, the Committee considered that a market rent for a fully double glazed, centrally heated, modernised one bedroom property of the type and in the locality of the present property would be in the region of £385 per month (£4620 per annum). However, the subject property was in a poorer condition than other comparable properties currently on the market. It was appropriate in the Committee's view that a reasonable reduction was required to reflect the differences between a fully improved property (which included furniture and white goods) and the subject property. The Committee considered that the cost of supply of furniture and appliances, installing full double glazing, renewing the shower room and kitchen fittings to a modern standard, decorating and replacing floor coverings etc. would be in the region of £12,000. They considered this capital expenditure would have a reasonable life expectancy of 10 years, which would justify a reduction of £1200 per annum (£100 per month) from the rent of a fully modernised flat. Accordingly having made allowances for all these factors and the Committee applying its skill, knowledge and experience, having regard for the character and extent of the subjects and all other matters required by the 1984 Act, the Committee determined that the market rent for the subjects is £3420 per annum.

Having determined the market rent, the Committee then considered whether there should be any scarcity deduction in terms of Section 48(2) of the 1984 Act. In their representations, the Landlord had specifically highlighted that they did not consider that there was any scarcity in the rental market for properties of the type in respect of which the application had been made. Applying its own skill, knowledge and experience, the Committee could find no evidence of excess demand for properties such as the subjects, noting also that there appeared to be a large number of similar sized properties available for rent in the nearby locality of the subjects. The Committee were also aware of a recent report (January 2009) from the RICS which indicated that there continued to be an excess of supply of properties in the private rented sector in Scotland. In the circumstances the Committee decided that there was no significant scarcity of properties.

Accordingly, the market rent is the fair rent in this case. The decision of the Committee is that the fair rent for the property is £3420 per annum with effect from the 23rd March 2009. In reaching that decision, the Committee had regard to all the circumstances required to be taken into account in terms of Sections 48 and 49 of the Rent (Scotland) Act 1984.

A Cowan

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Chairman of Private Rented Housing Committee

23/3/09.

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Date