

RENT ASSESSMENT PANEL FOR SCOTLAND

RENT (SCOTLAND) ACT 1984

NOTIFICATION OF DECISION BY THE RENT ASSESSMENT COMMITTEE

REFERENCE NO.	OBJECTION RECEIVED	OBJECTION
RAC/G12/413	12 April 2006	Tenant

ADDRESS OF PREMISES

3/2, 29 Braeside Street, Glasgow, G20 6QU

TENANT

Mrs E Gallacher

NAME AND ADDRESS OF LANDLORD

Thomas Donald & Son

AGENT

Murray & Muir
100 Berkeley Street
Glasgow
G3 7HU

DESCRIPTION OF PREMISES

Third floor tenement flat circa 1890 comprising two rooms, living kitchen and bathroom

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN

Mr R Handley LLB

PROFESSIONAL MEMBER

Mr A English FRICS

LAY MEMBER

Mr J Blackwood

FAIR RENT

£3400.00 per annum

DATE OF DECISION

31 May 2006

EFFECTIVE DATE

31 May 2006

R Handley

Chairman of the Rent Assessment Committee

31/5/2006

Date

RENT ASSESSMENT COMMITTEE

HELD ON: 31 MAY 2006

PROPERTY: 3/2, 29 BRAESIDE STREET, GLASGOW

STATEMENT OF REASONS

Introduction

This is an application by Mrs H M Donald ("the Landlord") to the Rent Assessment Committee for the determination of a rent under the Rent (Scotland) Act 1984 ("the Act"). The Tenant is Mrs E Gallacher. The original rent paid by the Tenant was £2,300 per annum. The proposed rent was £3,400 per annum. The rent determined by the Rent Officer was £3,360 per annum.

Neither the Landlord nor the Tenant requested a Hearing.

The Documentation

The Committee had the following documents before it: the RR1 Application, The Tenant objection, Rent Register pages, the Tenant's written representation and the Landlord's written representations.

The Inspection

Mr Robert Shea, Clerk to the Rent Assessment Committee, introduced the Committee to the Tenant. The Tenant was present at the inspection (as was her sister and her brother in law). The Landlord did not attend the inspection.

The Dwelling house

The property at 3/2, 29 Braeside Street, Glasgow ("the dwellinghouse"), is within a traditional four storey tenement which was refurbished in 1973. The dwellinghouse was built circa 1890, is located on the third floor

and comprises an entrance hall, sitting room, bedroom, dining kitchen and bathroom.

The external walls are red sandstone and appear to be in a fair condition. The roof is tiled. Due to the close proximity of other buildings, the Committee did not have an opportunity to inspect the roof. The windows are in need of attention.

There is no garden to the front of the dwellinghouse. To the rear of the dwellinghouse there is a backyard/drying area.

The kitchen

The kitchen is located to the rear of the dwellinghouse and is entered from the entrance hall. The kitchen contains units, a sink, an electric cooker and a number of electrical appliances. The electric appliances are owned by the Tenant who advised the Committee that her washing machine did not work properly (although it did "spin"). Moreover her television (located within the kitchen) did not function properly and neither did her cooker. However the Committee noted that the washing machine, television and cooker were all owned by the Tenant. As there was clearly a power supply to the appliances, it appeared to the Committee that it was likely that these appliances were faulty and it was the responsibility of the Tenant to remedy any such defects. The Tenant also drew the attention of the Committee to the poor state of the windows. She also advised the Committee that the main ceiling light in the kitchen did not function properly. A cursory inspection led the Committee to the view that this fault may be because of a defective switch. However the Committee were unable to determine the precise nature of this fault.

The living room

The living room is entered from the entrance hall. A window in the living room (which was in poor condition) overlooks the front of the dwellinghouse. The Tenant drew the attention of the Committee to ceiling tiles which had been fitted by the Tenant's late husband who had also constructed a bar area within the recess in the living room.

The bathroom

The bathroom is off the entrance hall and contains a bath, a WC, and a wash hand basin. Although it was suggested to the Committee that there was no running water in the wash hand basin, it appeared to the Committee that this was not so. (Water is heated by immersion heater)

The bedroom

A double bedroom is entered off the entrance hall and is located at the front of the dwelling house. The attention of the Committee was drawn to a crack in an internal wall and to the poor condition of the window frames.

The entrance hall

The Tenant drew the attention of the Committee to an area around the ceiling light which she thought was dampness. Whilst noting that the ceiling was marked, the Committee did not find any evidence of current rainwater penetration here or elsewhere within the dwellinghouse.

Heating and Electrical

There was no central heating within the dwellinghouse. Heating was provided by a number of electric fires owned by the Tenant. There are a limited number of 13 amp power points in the main apartments. The tenant advised the committee that the electric fire in the Living Room would not work but it was found that the power point was functioning and the Committee deduced that it was the heater that was faulty. The lighting circuit is in need of attention. The Kitchen light switch appears to be defective and the light in the Bathroom was not functioning although the Committee could not determine whether this was merely due to the need for a replacement bulb.

The backcourt

The Committee could not gain access to this area but it appeared to be well maintained.

The communal stair

The communal stair was clean and reasonably maintained.

Door entry system

A door entry system was located at the entrance to the communal stairway. The system appeared to be functioning properly.

Comparable Properties

As indicated, the Committee had before it details of three recently Registered Rent decisions. The Committee did not gain access to any of

these properties but did visit the Raeberry Street property which was considered relevant and is relatively close to Braeside Street. The property at Raeberry Street had four rooms and was known to the Surveyor member. Neither of the other two properties was considered to be a direct comparison.

The Landlord (in the written submissions) had provided details of seven comparable market rents. All were one bed roomed properties but four were furnished and one part furnished. The properties at Garrioch Road, Oban Drive and Fergus Drive were described as being in good condition whilst the property at Hotspur Street was described as being in average condition. However the Committee had little information about these properties (or indeed any of the others on the Landlord's list). The Committee was hesitant to regard any of these properties as direct comparables but were persuaded that they formed part of a body of evidence that indicated a level of market rent for one bedroom flats in the general locality.

The Committee considered that the level of market rents within this area of Glasgow was a relevant factor in determining the fair rent for the property.

Decisions and Reasons

Section 48 of that Act provides that:

(1) In determining for the purposes of this part of the Act what rent is or would be a fair rent under a regulated tenancy of a dwellinghouse, it shall be the duty of the Rent Officer or, as the case may be, of the Rent Assessment Committee, subject to the provisions of this section, to have regard to all 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 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.

(2) For the purposes of the determination it shall be assumed that the number of persons seeking to become Tenants of similar dwellinghouses in the locality on the terms (other than those relating to the 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.

In terms of section 48 of the Act, the Committee is required to fix a rent that is or would be a fair rent under a regulated tenancy.

In Scotland there are three accepted methods of determining a fair rent. These are:

- (a) determining a fair rent by having regard to registered rents of comparables houses in the area;
- (b) taking market rents and then discounting for any scarcity element and making any appropriate disregards as required by section 48(3);
- (c) calculating the appropriate return based on capital value of the property, taking into account the element of scarcity.

None of these methods is regarded as the primary method.

As indicated, none of the three Registered Rent properties were considered to be directly comparable and the Committee had little information about the comparable properties provided by the Landlord.

No evidence was adduced in relation to capital values and it was therefore inappropriate to proceed on that basis.

Consequently the Committee considered that to establish a fair rent it was appropriate to compare open market rents and thereafter to consider whether any adjustments should be made.

The Committee noted that no service charge was made and no services provided.

The Committee noted that the dwellinghouse was located within walking distance of a number of local shops. Public transport is available a short distance from the dwellinghouse. A primary school is situated immediately across from the dwellinghouse. Braeside Street is situated within an area which contains a mixture of owner occupied housing and rented accommodation.

Applying 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 dwellinghouse in question and to its state of repair of the building the Committee was of the opinion that a property similar to the dwellinghouse would be available for rent of around **£475 per month** ("the market rent"). This would be the rent payable for a modern/modernised fully furnished flat with double glazing, central heating and in a satisfactory condition.

The Committee was of the opinion that a deduction of **£50 per month** should be made to reflect the difference in rent between a furnished and a part furnished flat (i.e. supplied with the landlord's carpets and white goods). A further **£50 per month** was deducted to reflect the cost of part furnishing the flat. . As indicated the dwellinghouse did not have the benefit of central heating and accordingly the Committee considered it appropriate to make a further deduction of **£30 per month**.

It was clear to the Committee that the windows in the dwellinghouse require extensive repair and consequently **£25 per month** should be deducted in this respect.

Finally the Committee was of the view that a further **£35 per month** or approximately 10% from the net rent should be deducted to reflect an anticipated market resistance to a bare unfurnished flat where the tenant would be required to provide floor coverings and white goods and be responsible for decoration as is the case with the appeal subjects

Thus:

Market rent (per month)		£475
Less - unfurnished	£50	
Less - central heating	£30	
Less - condition of windows	£25	
Less -allowance for white goods, carpets etc.	£50	
Less sum for anticipated Reduction in rent re a property put on the market entirely unfurnished	£35	
		<u>£190</u>
		<u>£285</u>
		x12
		<u>£3420</u>

The Committee agreed with the Landlords written submissions where it was stated that there has been a very substantial increase in the supply of houses and flats to let. The Committee was of the view that there was minimal scarcity of properties like (or similar to) the dwellinghouse and consequently no deduction should be for scarcity.

Taking into account all the circumstances which the Committee is required to take into account, the Committee concluded that a fair rent of the dwellinghouse would be the rent sought by the landlord i.e. £3,400.00 per year.

... **R Handley** Chairman

..... 18 June 2006 Date