

RENT ASSESSMENT PANEL FOR SCOTLAND

RENT (SCOTLAND) ACT 1984

NOTIFICATION OF DECISION BY THE RENT ASSESSMENT COMMITTEE

REFERENCE NO.	OBJECTION RECEIVED	OBJECTION
RAC/G44/576	22 March 2007	Landlord

ADDRESS OF PREMISES

95 Glencroft Road, Glasgow, G44 5RR,

TENANT

Mrs M McKay

NAME AND ADDRESS OF LANDLORD/AGENT

Mr & Mrs D W Mustarde, per Hacking & Paterson, 1 Newton Terrace, Glasgow, G3 7PL

DESCRIPTION OF PREMISES

Lower villa cottage flat circa 1930 comprising four rooms, kitchenette and bathroom with relative garden ground. In need of upgrading.

SERVICES PROVIDED

None

COMMITTEE MEMBERS

CHAIRMAN	Mrs J Taylor LLB Dip LP NP
PROFESSIONAL MEMBER	Mr R Buchan BSc FRICS
LAY MEMBER	Mrs C Anderson

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 4,500.00 per annum	5 June 2007	5 June 2007

J Taylor

Chairman of the Rent Assessment Committee

25th June 2007

Date

STATEMENT OF REASONS

in connection with

INSPECTION HELD ON 5th JUNE 2007

of the property

95 Glencroft Road, Glasgow.

1. THE PARTIES

The landlords are Mr and Mrs D W Mustarde and they are represented by Messrs Hacking and Paterson, 1 Newton Terrace, Charing Cross, Glasgow.

The tenant is Mrs M J McKay. She has resided in the property since 1950, as her parents were the original tenants. Her tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

2. BACKGROUND

The current rent is £3480 per annum. The landlords applied for the rent to be increased to £4500. The Rent Officer registered a rent of £4080 per annum with effect from 26th February 2007. The Landlord referred the determination to the Rent Assessment Committee.

3. THE INSPECTION

The committee inspected the property, which is a lower cottage flat which was built circa 1930. The accommodation comprises living room, three bedrooms, small scullery style kitchen and bathroom. The kitchen units and appliances were provided by the tenant. There is garden ground at the rear and front of the property. The tenant has created a parking space. The property is unimproved, with the exception of the installation of central heating, which had been installed with the benefit of the Scottish Executive grant scheme and double glazing, which was installed in 2001. The building is generally in a poor state of external repair. The gutters and down pipes are choked. The roof has been retiled in the past but is in need of some repair and maintenance.

The main water pipe is the original lead pipe.

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

No services are provided.

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.
- The letter from the landlord's agents dated 13th March 2007, which stated that they objected to the rent set by the Rent Officer.
- List of comparable rents, provided by the clerk:-

Address	Accommodation	Description	Effective date	Registered Rent
26 Croftpark Avenue, Glasgow	Lower Villa flat circa 1919-4	4 rooms, kitchenette and bathroom	13 January 2006	£3600
213 Croftpark Avenue, Glasgow	Upper villa flat circa 1919-44	4 rooms, kitchenette and bathroom	4 February 2006	£3575

- The written statement by the Landlord's agents dated 30th March 2007, which stated:-
'As evidenced by a growing number of recent RAC decisions, commencing the decision of 30th November 2005 in respect of 128 Raebury Street, Maryhill, we are of the belief that scarcity is no longer a factor in relation to the private rental market. Additionally, the Rent assessment Committee decision reference RAC/G20/453 for flat 3/2, 74, Sanda Street Glasgow on 18th January 2006 concluded 'that there is a fair equilibrium in the market' and that 'accordingly, the market rent is the fair rent in this case'. If it is agreed that the market is therefore presently in balance, registered rents should be more reflective of current market rents, whatever method is used to determine the fair rent.

We presently let a number of properties, in the same area and in similar condition to the properties in question, on Short assured Tenancy basis for rents ranging between £4500 and £5100. Specific details of these properties are shown on the attached schedule together with any improvements that have been carried out to the same. On the basis of the foregoing we contend that the rent applied for of £4500 is fair.'

Schedule referred to:

Address	Let At	Annual rent	Comments
142 Croftend Ave	July 06	4500	
170 Croftend Ave	Jan 06	5100	Central heating
171 Croftend Ave	Jun 05	4500	
207 Croftend Ave	July 06	4980	Double Glazing/Garage
27 Newcroft Drive	Sept 06	5100	Central Heating
31 Newcroft Drive	Oct 99	4650	
179 Crofthill Road	Nov 04	4500	
146 Glencroft Road	Sept 06	4500	

The committee had obtained details of many properties available to lease in the area, from news paper advertisements and the internet. They had observed many 'For Let' signs in the vicinity of the property. In particular, the following properties were available for lease:-

➤ 63, Croftend Avenue.

The Advertised rent was £525 per month. The property had been refurbished and was advertised as being in walk-in condition.

➤ Croftwood Avenue

The Advertised rent was £525 per month. The property was advertised as being beautifully presented. All appliances were provided.

➤ 130, Glencroft Road.

The advertised rent was £495 per month. The property was advertised as being a well maintained upper cottage flat and included a modern fitted kitchen with appliances.

➤ 146 Glencroft Road.

This property was advertised by Messrs Hacking and Paterson as available to lease. On enquiry the committee was advised that the asking rent had been £375 per month. However the property was no longer available as the landlords had decided to upgrade the property and place it on the market for sale.

The committee viewed externally the two comparable properties in the list provided by the clerk and observed that they were similar properties, with central heating and double glazing installed.

The committee considered the documents provided and the evidence mentioned. They were mindful of the terms of section 48(2) of the Rent (Scotland) Act 1984 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.

As there are many similar properties available for lease in the vicinity, the committee accepted that there is no scarcity in supply and that therefore the market rent is the fair rent.

The committee were disappointed with the evidence of comparable properties provided by the landlords' agents as it did not provide sufficient detail on the accommodation and standard of the comparable properties to be of great assistance.

The committee reviewed the evidence of the market rents and determined that the market rent of an improved similar property provided with fitted kitchen, appliances, and upgraded bathroom ('similar improved properties') was £5700 per annum.

They recognised that the property 95 Glencroft Road was in a poorer condition than the similar improved properties and therefore a reasonable deduction was required to reflect the differences in the properties. They considered that the cost of repairing the external fabric of the building, replacing the lead main water pipe, rewiring the property, replacing the bathroom and kitchen fitments, decorating, replacing the flooring and supplying appliances would be in the region of approximately £12,000. They considered that this capital

expenditure would have a reasonable average life expectancy of 10 years which justified a reduction of £1200 from the rent of the similar improved properties of £5700.

Consequently, they decided that the fair rent for the property was £4500 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.

This decision takes effect from the Fourth day of June Two thousand and seven.

..... J Taylor

Chairperson, 25th June 2007