



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

**REFERENCE NO:**

RAC/PA15/821

**OBJECTION RECEIVED**

5 August 2011

**OBJECTION**

Landlord

**ADDRESS OF PREMISES**

2/2, 69 Nicolson Street, Greenock, PA15 1TL

**TENANT**

Mr Dickie

**NAME AND ADDRESS OF LANDLORD**

Mr J Blair

**AGENT**

Morrison Walker  
Property Management  
23 Patrick Street  
Greenock  
PA16 8NB

**DESCRIPTION OF PREMISES**

Unimproved traditional second floor tenement flat circa 1890 comprising two rooms, kitchen and bathroom.

**SERVICES PROVIDED**

**COMMITTEE MEMBERS**

**CHAIRMAN**

**SURVEYOR**

**HOUSING PANEL MEMBER**

Mrs J Taylor LLB Dip LP NP

Mr G Campbell FRICS

Mr J Riach

**FAIR RENT**

£ 2600.00 p.a.

**DATE OF DECISION**

3 November 2011

**EFFECTIVE DATE**

3 November 2011

**J Taylor**

Chairman of Private/Rented Housing Committee

9<sup>th</sup> November 2011

Date



## **STATEMENT OF REASONS**

*in relation to the property*

**2/2, 69 Nicholson Street, Greenock, PA15 1TL**

### **1. BACKGROUND**

The Landlord is Mr J Blair, care of Morison Walker, 23 Patrick Street, Greenock.

The Tenant is Mr James Dickie. He has been a tenant of the property since 1968. His tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

The current rent is £2137.20 per annum. The Landlord applied for the rent to be increased to £3300.00.

The Rent Officer registered a rent of £2489.84 per annum with effect from 22<sup>nd</sup> July 2011. The Landlord referred the determination to the Private Rented Housing Panel ('PRHP').

### **2. THE INSPECTION**

As the Tenant was not able to provide access to the property the committee externally inspected the property which is an unimproved second floor flat in a three storey, plus attic, traditional blonde sandstone tenement, which dates from circa 1890. The tenement has a slate roof. A communal door entry system had been installed.

The tenant had confirmed by email that the accommodation comprises one bedroom, dining room, living room, study created from former bed recess, kitchen and bathroom. The windows throughout the property are double glazed, with the exception of the living room window. There is no central heating in the property.

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

### **3. THE HEARING**

No hearing was requested.

### **4. 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 rent applied for in this case amounted to £3300 per annum or £275 per calendar month. The rent awarded is £2489 per annum or £207.42 per calendar month.*

*We have evidence that similar flats in the area are selling for between £52,000 and £65000 and are of the opinion that a rent of £275 per calendar month is not an unreasonable return on the capital invested. The property is in a reasonable state of repair and the Landlord insures the property and carries out any repairs which are necessary.*

*We also have evidence of a 2 bedroom flat in West Blackhall Street (a similar town centre location) on offer at £395 per calendar month furnished and also a 1 bedroom flat in Lyndoch Street on offer at £340 per calendar month.*

*The level of rent being achieved in similar properties is clearly in excess of the rent awarded and we would seek a higher rent on this basis.'*

- Email from the Tenant dated 27<sup>th</sup> October 2011 advising *inter alia*:-
  - *He inherited the tenancy from his mother, who died in 1968.*
  - *There is no central heating. He uses coal fires and gas fires, which he installed.*
  - *He installed double glazing in the dining room, bedroom and bathroom. The sitting room is the only one not double glazed.*
  - *The bedroom has one double bed.*
  - *There is a lounge/dining room.*
  - *He installed all of the fittings in the kitchenette and the bathroom. He also provided the carpets in the property.*
  - *The tenement was refurbished over 20 years ago.*
  
- The decision of the PRHP dated 21<sup>st</sup> June 2011 which determined the following rents:-

Address	Accommodation	Rent	Notes	Effective Date
2/2, 61 Nicholson Street, Greenock	2 rooms kitchen and bathroom	£3240	Improved property. Double Glazing and Electric heating. Floor area 39 sq m	16 <sup>th</sup> March 2011
3/3, 61 Nicholson street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Central Heating. Floor area 50 sq m	16 <sup>th</sup> March 2011
1/1, 46 Inverkip Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas Central	16 <sup>th</sup> March 2011

			heating. Floor area 75 sq m	
0/2, 7 Brachelston Street, Greenock	2 rooms kitchen and bathroom	£3600	Improved property. Double Glazing and Electric heating. Floor area 50 sq m	16 <sup>th</sup> March 2011
1/1, 8 Murdieston Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas central Heating. Floor area 50 sq m	16 <sup>th</sup> March 2011
1/1, 12 Murdieston Street, Greenock	3 rooms kitchen and bathroom	£4200	Improved property. Double Glazing and Gas Central Heating heating. Floor area 53 sq m	16 <sup>th</sup> March 2011
0/1, 69 Dempster Street, Greenock	3 rooms kitchen and bathroom	£4680	Improved property. Double Glazing and Gas Central heating. Floor area 64 sq m	16 <sup>th</sup> March 2011
1 / 2, 69, Dempster Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas Central heating. Floor area 50 sq m	16 <sup>th</sup> March 2011
1 / 1, 71, Dempster Street, Greenock	2 rooms kitchen and bathroom	£4680	Improved property. Double Glazing.	16 <sup>th</sup> March 2011
2/1, 71 Dempster Street, Greenock	2 rooms kitchen and bathroom	£3800	Improved property. Double Glazing and Gas Central heating. Floor area 50 sq m.	16 <sup>th</sup> March 2011

- The decisions of the PRHP dated 7<sup>th</sup> October 2011 which determined the following rents:-

2/1, 22 Bank Street, Greenock	3 rooms kitchen and bathroom	£4680	Improved property. Double Glazing and Gas Central heating. Floor area 73.6 sq m.	29 <sup>th</sup> September 2011
0/2, 30 South Street, Greenock	2 rooms kitchen and internal bathroom	£3580	Unimproved property. No double Glazing and No Central heating. Floor area 69.3 sq m.	29 <sup>th</sup> September 2011
2/2, 6 Brachelston Street, Greenock	2 bed recesses, living room, kitchen and galley bathroom	£2196	Unimproved property. Double Glazing and No Central heating. Floor area 42.6 sq m.	29 <sup>th</sup> September 2011

The committee considered the documents stated.

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 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 £325 to £375 per month and the rentals of two bedroom properties in the Greenock area ranged from £395 to £425 per month. The rental evidence provided by the Landlord is within these ranges. The committee acknowledged that the PRHP decision dated 21<sup>st</sup> June 2011 stated that the range of rents for one bedroom properties in the Greenock area were £365 to £375 per month and two bedroom properties in the Greenock area were £400 to £500 per month and the PRHP decision dated 7<sup>th</sup> October 2011 stated that the range of rents for one bedroom properties in the Greenock area were £350 to £400 per month and two bedroom properties in the Greenock area were £400 to £475 per month. Therefore the committee acknowledged that the PRHP decisions dated 21<sup>st</sup> June 2011 and 7<sup>th</sup> October 2011 still reflected the current market rents of comparable properties in the Greenock area.

The committee considered the details of sales of similar properties and also the rental evidence provided by the Landlord. As the landlord did not provide details as to whether these properties were

improved or unimproved or whether they had central heating or double glazing the committee gained little assistance from this evidence.

As stated 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 decisions dated 21<sup>st</sup> June 2011 and 7<sup>th</sup> October 2011, 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 property 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.

As stated the committee considered the evidence of market rents in the PRHP decisions dated 21<sup>st</sup> June 2011 and 7<sup>th</sup> October 2011 to be the best evidence available. In particular the committee considered the rental evidence of the property 3/3, 61 Nicholson Street, Greenock to be of particular assistance. However adjustments were required to reflect the particular features of the property 2/2, 69 Nicolson Street, Greenock including the fact that the property is unimproved, it does not have central heating and the double glazing had been installed by the Tenant.

Having taken all the relevant factors into account the committee determined that the fair rent for this property is £2600 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 Third day of November Two Thousand and Eleven.

.....**J Taylor** .....

Chairperson, 9<sup>th</sup> November 2011