



**PRIVATE RENTED HOUSING PANEL**

**RENT (SCOTLAND) ACT 1984**

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

<b>REFERENCE NO:</b>	<b>OBJECTION RECEIVED</b>	<b>OBJECTION</b>
RAC/PA16/840	8 February 2012	Landlord

**ADDRESS OF PREMISES**

2/2, 1 Ardgowan Street, Greenock, PA16 8LE

**TENANT**

Miss B McCallum

**NAME AND ADDRESS OF LANDLORD      AGENT**

Cloch Housing Associaton Ltd,  
19 Bogle Street,  
Greenock,  
PA15 1ER

**DESCRIPTION OF PREMISES**

Modern second floor flat comprising living room, 1 bedroom, kitchen and bathroom.

Internal floor area is approximately 50 square metres.

**SERVICES PROVIDED**

Door entry system, communal TV Aerial, Garden maintenance and communal stair lighting.

**COMMITTEE MEMBERS**

<b>CHAIRMAN</b>	David Preston
<b>SURVEYOR</b>	Alan English
<b>HOUSING PANEL MEMBER</b>	Susan Brown

<b>FAIR RENT</b>	<b>DATE OF DECISION</b>	<b>EFFECTIVE DATE</b>
£ 3,600 p.a.	11 April 2012	11 February 2012

D Preston

Chairman of Private Rented Housing Committee

Date

4/5/12

# **Determination and Reasons**

## **PRIVATE RENTED HOUSING PANEL**

**HELD ON: 11 April 2012**

**PROPERTY: 2/2, 1 Ardgowan Street, Greenock PA16 8LE**

### **Background**

1. This is a reference to the Private Rented Housing Panel ("the PRHP") for determination of a fair rent under the Rent (Scotland) Act 1984 by the landlord, Cloch housing Association Ltd in relation to property at 2/2, 1 Ardgowan Street, Greenock PA16 8LE ("the property").
2. The registered rent (effective from 19 July 2008) was £2780 pa. On 3 November 2011, the landlord applied to the Rental Valuation Office, for registration of rent for the property. A rent had previously been registered on 19 July 2008. On 1 February the Rental Valuation Officer determined a rent of £3222.00 pa for the property. On 7 February 2012 the landlord intimated an appeal against that determination on the basis that the application form RR1 had been incorrectly completed to the extent that the applicant had erroneously indicated on the application that no services were provided by the landlord whereas in fact services were provided to the extent of a door entry system, a communal TV Aerial, garden maintenance and communal stair lighting. The appeal was referred to the Private Rented housing Panel on 7 February 2012.

### **THE EVIDENCE**

3. The Committee had the following documents before it:
  - Form RR1 together with rent calculation sheet
  - Rent Register documents,
  - Representations on behalf of the landlord dated 21 February 2012.
  - Representations by the tenant dated 22 February 2012

The Committee also had details of comparable properties, details of average rental figures in Greenock and in the locality and copies of previous determinations made by the Private rented Housing Panel in late 2011 in respect of comparable properties in the locality. The Committee took account of all these documents and used their knowledge and experience in determining a fair rent.

4. Neither party requested a hearing.

### **THE INSPECTION**

5. David Preston, Chairman, Alan English, Surveyor and Susan Brown, Housing Member inspected of the property on 11 April 2012 in the presence of the tenant. The landlord was not represented at the inspection, although two Housing officers did make themselves available to the committee

during the inspection for any additional information which it might require. They confirmed that the rent proposed by them of £3,501.48 had been calculated in accordance with their standard points based system which applied to all their tenancies.

## **DESCRIPTION OF THE DWELLINGHOUSE**

6. The property is a second floor flat in a modern block of flats located in a well established area close to the town centre and to shops, bus and rail stations and other town centre amenities. The property has a private parking area to the rear and has a bright and clean communal entry and stairway and has a small garden area attached.
7. The Dwellinghouse was built circa 1980 and is in a good state of repair, although the tenant had complained of dampness affecting an area at the window of the bedroom. Externally the tenement building appeared to be in a reasonable state of repair. The roof is tiled and there was evidence of moss growing on the tiles.
8. There is a security door on the close. The close, stairs and landings were clean and tidy. All furniture is supplied by the tenant. The Dwellinghouse is well decorated. The landlords provide the door entry system, a communal TV Aerial, they maintain the garden ground and provide the stair lighting.
9. The Dwellinghouse, which extends to 50 square metres comprises: living room, bedroom, kitchen and bathroom. The front door opens to a spacious hallway. The living room, bedroom, and bathroom are located off the hallway with the kitchen being off the living room.
10. The bathroom has a WC, wash hand basin and bath with shower over, which was installed by the tenant. Heating and hot water are provided by a central combi boiler with radiators throughout the property. The property is fully double glazed.

## **DECISION AND REASONS**

11. Section 48 of the 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 Panel (now the PRHP), 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.

12. The committee was mindful of its obligations in terms of section 48 of the Rent (Scotland) Act 1984, to fix a rent that is or would be a fair rent under a regulated tenancy. While having regard to the determination of the rental Valuation Officer and the rent proposed by the landlord, it must apply its own determination based on the evidence available to it.
13. 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.

#### Capital value

14. No Valuation Report or other evidence was available to the committee. The committee decided it was not appropriate to proceed on the basis of capital values.

#### Comparable registered rents

15. As indicated, the committee had before it details of comparable properties, including determinations of the Private Rented Housing Committee dated 29 September and 9 November 2011 in respect of properties at 2/2, 6 Brachelston Street, Greenock and 2/2, 69 Nicholson Street, Greenock. The rent for these properties with similar accommodation was in unimproved traditional tenements and had been determined at £2,600 and £2,200 respectively. In view of the disparity of the nature of these properties in comparison with the property under consideration, the committee found them to be of limited value in making its determination.
16. The Committee noted the rent proposed by the landlord in its application and as specified in the appeal. It noted that this had been calculated by the application of a points based system the basis of which has not been provided to the committee and accordingly it did not consider that it was appropriate to base its determination thereon. It also noted the rent assessed by the Rental Valuation Office. However no information was provided as to the basis upon which this had been calculated. The committee was unable to ascertain a rental valuation at an equivalent level to that when applying the accepted methods of determining a fair rent as it is required to do.

Market rents

17. The committee gave consideration to open market rents in establishing a fair rent for the property . Neither party had provided the committee with specific information or evidence about rents (either in the open market or under registered rents terms) which could be used as comparables. However the committee had details of a number of properties available for rent in Greenock. The committee noted that one bedroomed furnished flats in the Greenock were available for rents between £325 and £375 per month.
18. The committee using its knowledge and expertise of market rents in the area and taking account of the fact that the property is unfurnished considered that a flat similar to the property enjoying the amenities provider in a similar area would be likely to achieve an open market rent of £300 per month ie £3,600 per annum.
19. The committee was of the view that there was no scarcity in relation to properties similar to the property in its locality. This was confirmed by the numbers of properties to let.
20. The decision of the Committee was unanimous and will take effect from 11 April 2012.

D Preston

..... Chairman

4/5/12  
..... Date