



PRIVATE RENTED HOUSING PANEL

Rent (Scotland) Act 1984

Notification Of Decision By The Private Rented Housing Committee

REFERENCE NO.	OBJECTION RECEIVED	OBJECTION
PRHP/PR/16/0227	24 June 2016	Not Applicable

ADDRESS OF PREMISES

2, Fairfield Street, Elderpark, Govan, Glasgow, G51 3DB

TENANT

Mr and Mrs Graham

NAME AND ADDRESS OF LANDLORD AGENT

Elderpark Housing Association
31 Garmouth Street, Glasgow, G51 3PR

DESCRIPTION OF PREMISES

The property is a two storey mid-terraced dwelling house erected in approximately 1991. The accommodation comprises living room, dining room, three bedrooms, kitchen, w.c and bath room. The floor area is approximately 91 square metres.

There is gas central heating in the property. The windows throughout the property are double glazed. The double glazed window units in the property were in a poor condition.

Remarks:

SERVICES PROVIDED

NONE

COMMITTEE MEMBERS

CHAIRPERSON	Jacqui Taylor
SURVEYOR MEMBER	Mike Links
HOUSING MEMBER	

FAIR RENT	DATE OF DECISION	EFFECTIVE DATE
£ 6200.00 p.a.	18 August 2016	28 th July 2016

J. Taylor

Chairperson of Private Rented Housing Committee

10th September 2016

Date



STATEMENT OF REASONS

in connection with

INSPECTION AND HEARING HELD ON 18th August 2016

In relation to the property

2, Fairfield Street, Govan, Glasgow, G51 3AB

Case Ref No:PRHP/RR/16/0227

The Committee Members were Jacqui Taylor (Chairperson) and Mike Links (Surveyor member).

1. THE PARTIES

The Landlords are Elderpark Housing Association, 31 Garmouth Street, Glasgow G51 3PR. The Tenants are Mr and Mrs Graham. They have been tenants of the Landlords for over 38 years and they have been tenants of 2, Fairfield Street, Govan for 25 years. The tenancy is a registered tenancy in terms of the Rent (Scotland) Act 1984.

2. BACKGROUND

The current rent is £ 3500.00 per annum (£ 291.67 per month). The Landlords applied for the rent to be increased to £4791.96 per annum (£399.33 per month). The Rent Officer registered a rent of £4791.96 per annum (£399.33 per month) with effect from 28th July 2016. The Tenants referred the determination to the Private Rented Housing Panel ('PRHP'). The Committee members were Jacqui Taylor (Chairperson) and Mike Links (Surveyor Member).

3. THE INSPECTION

On the morning of 18th August 2016 the Committee inspected the Property. The Tenants were present at the inspection. The Landlords were not present and were not represented.

The Property is a mid-terraced, two storey modern dwelling house. The accommodation comprises living room, dining room, three bedrooms, kitchen, w.c and bath room. The floor area is approximately 91 square metres.

There is gas central heating in the Property and the windows throughout the Property are double glazed. The Tenants showed the Committee that the windows were in poor condition and the locking mechanism of the bedroom window was broken.

The Tenants provided the flooring and the appliances in the kitchen. They had also decorated the Property.

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

No services are provided by the Landlords.

4. THE HEARING

The Tenants and the Landlords did not attend the hearing and were not represented.

5. THE DECISION

The Committee had the following documents before them:-

5.1 A copy of form RR1, the Landlords' application for registration of the rent.

5.2 Written representations from the Landlords:

'The rent reflects the rent charged for similar properties within our stock. It is based on our rent setting policy. We do not feel that the rents are excessive. Similar rents include:

- 4 apt/5 person with extra shower and utility £424.29 per month
- 4 apt/5 person with extra toilet £399.99 per month
- 4 apt/6 person with extra toilet £409.31 per month.'

5.3 Evidence of comparable registered rents determined by the PRHP:

5.3.1 Rent of £6900 per annum had been registered for 37 Wanlock Street, Govan, Glasgow, G51 3AB on 19th July 2016. The property was a mid terraced three bedroom property. The floor area of the property was 119.5 metres. The Committee had determined the rent using comparable market rents.

5.3.2 Rent of £2892 per annum had been registered for Flat 3/1, 845 Govan Road, Govan, Glasgow, G51 3DL on 13th June 2016. The property was a top floor traditional tenement flat with two bedrooms property. The floor area of the property was 58 metres. The Committee had determined the rent using comparable registered rents from the rent register.

5.3.3 Rent of £4000 per annum had been registered for 9, Wanlock Street, Glasgow, G51 3AB on 1st August 2016. The property was a 3 storey townhouse with four bedrooms. The floor area

of the property was 119 metres. The Committee had determined the rent using comparable registered rents from the rent register.

5.3.4 Rent of £4000 per annum had been registered for 46, Wanlock Street, Glasgow, G51 3AB on 13th June 2016. The property was a 3 storey townhouse with four bedrooms. The floor area of the property was 119 metres. The Committee had determined the rent using comparable registered rents from the rent register.

The Committee considered the documents provided.

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. They acknowledged that none of these methods is the primary method. The appropriate method depends on the facts and circumstances of each case. The Committee were also gave consideration to the observations of the Lord President in *Western Heritable Investment Co Ltd v Hunter* (2004) which requires the Committee to proceed on the best available evidence and use the other evidence as a cross check, where possible.

The Committee considered the said previous PRHP decisions. They noted that the rents of the properties Flat 3/1, 845 Govan Road, Govan, Glasgow, G51 3DL; 9 and 46 Wanlock Street, Glasgow G51 3AB had been determined with reference to comparable fair rents taken from the rent register. The rent of the property 37 Wanlock Street, Govan, Glasgow, G51 3AB had been determined with reference

to market rents of comparable properties allowing for appropriate deductions for scarcity. The Committee did not consider the comparable rents from the rent register to be the best evidence as these rents had only been fixed by the rent officer and had not been tested by a Private Rented Housing Committee. The Committee had obtained evidence of properties available to rent in the Glasgow G51 postcode area. They found that there are over 200 properties available to rent ranging from one bedroom to three bedroom properties. The rents ranged from £350 to £695 per month. After careful consideration and given that strength of market rental evidence the Committee determined that the method of using comparable market rents was the best evidence available.

As explained, the Committee had obtained details of a number of other similar sized properties available to lease in the area from the internet. The rents of three bedroom properties ranged from £632 to £765 per month. These comparable properties were three bedroom properties with kitchen and bathroom, floor coverings and appliances provided by the landlords.

The Committee acknowledged that there is a reasonable supply of similar properties to rent in the Glasgow area and therefore there is no scarcity of supply of such properties at this time.

The Committee considered the details of the other properties available to rent in the area. The Committee considered the market evidence and reflected that the average market rent of properties comparable to 2 Fairfield Street, Elderpark, Glasgow was £7800 per annum. The Committee acknowledged that an adjustment was required to reflect the fact that the Landlords of 2 Fairfield Street, Elderpark, Glasgow did not provide any appliances, decoration or floor coverings and also the poor condition of the windows in the property. They considered that a deduction of £1600 per annum was reasonable to reflect these differences.

After consideration of all these factors the committee decided that the fair rent for the property was £6200 per annum.

As a cross check the Committee compared this rent with the rent that had been previously determined for 37 Wanlock Street, Govan, Glasgow, G51 3AB of £6900 per annum and acknowledged that the rent determined for 2, Fairfield Street, Govan, Glasgow, G51 3AB was comparable allowing for the differences in the properties.

The Committee noted that this value exceeded the rent level proposed by the Landlords and that set by the Rental Valuation Officer. However the Committee noted that as a social landlord, they would not be bound to charge the full rent assessed.

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 28th day of July Two Thousand and Sixteen.

J Taylor

.....
Chairperson, 10th September 2016