



Determination by Private Rented Housing Committee

Statement of Reasons by the Private Rented Housing Committee

(Hereinafter referred to as "the Committee")

In connection with the inspection on 29th April 2015 of the property at

Flat 19D North Methven Street. Perth, PH1 5PN

Case Reference Number: PRHP/RR/15/0069

The Parties:-

1. The landlords of the property are Glenappin Limited having their registered office at 36 Tay Street, Perth, PH1 5TR represented by their agents KC Property Rentals Ltd, having their office at 7 South St. John's Place, Perth, PH1 5XB. The tenant is s Linda McMann who resides at the property. The tenancy is a regulated tenancy in terms of the Rent (Scotland) Act 1984.

Background:-

2. The current rent for the property is £3,600 per year (£350 per month). No previous rent has been registered for this tenancy in terms of the provisions of the Rent (Scotland) Act 1984. By application dated 6th January 2015 the tenant applied to the rent officer to have a fair rent fixed. The tenant proposed that the fair rent should be £350 per month or £3,600 per annum. The rent officer determined that the rent should be £3,960 per year (£330 per month) with effect from 21st January 2015. The landlords appealed that determination to the Private Rented Housing Panel ("PRHP").

The Inspection:-

3. The Private Rented Housing Committee consisting of James Bauld, Chairman, Mrs Sara Hesp, surveyor member and Mr Christopher Harvey, housing member inspected the property on 22nd April 2015. The tenant was present during the inspection and the landlords were represented by their agent Mr Robin Young
4. The property is contained within a 4 storey sandstone tenement block with a slate roof. The property is situated on the 2nd floor. The tenement block has commercial premises on the ground floor and two flats on each floor above. The property itself consists of a living room, one bedroom, a kitchen, bathroom and hall. The gross internal floor area amounted to approximately 75 square metres. The property has no central heating

system and heating is provided by electric radiators or panel heaters in each room. Hot water is provided by an immersion heater. The windows are UPVC double glazed. The property has a secure door entry system. There was a communal back garden area which is in a well maintained condition. The property is situated within Perth town centre and is close to all relevant public transport links, local shops and services. There would be significant difficulties with on-street parking. The property was built on or around 1900.

The Hearing

5. After the inspection, a hearing was held at the Glenearn Community Campus in Perth. The tenant attended the hearing accompanied by her friend. The landlords were represented at the hearing by Mr Robin Young, the landlords' agents.
6. At the hearing Mr Young indicated to the Committee that it was the landlords' view that the tenant had enjoyed a lengthy period of residence in this property at a rent which was below the market value. He indicated that the landlords also own flats A, B and C within the same building and were respectively obtaining rents of £370 per month, £380 per month, and £370 per month for those three properties. He indicated they were all leased on short assured tenancies. He indicated that Flat A was currently unoccupied and was being advertised at a rent of £370 per month. He indicated that Flats B and C were currently occupied. He indicated that Flat B was directly below Flat D and was almost identical in size. The rent for Flat B was £380. He advised the Committee that in 2005 the differential between the rent for Flat A and Flat D had been £90 per month and was now only £20 per month. It had been the landlords' intention over the years to bring the rent more in line with the market rent, and the differential has been decreasing accordingly. It was his position that the appropriate market rent for similar flats in Perth town centre ranged between £370 to £400. He indicated it would be unusual to achieve above £400 per month except for some exceptional flats located overlooking The Inch. The rent the landlord was seeking for Flat D was £360 per month as set out in the rental increase notice which had been sent by the landlords to the tenant on 25th November 2014. It was that notification which had prompted the tenant to apply to have the rent registered. The landlords' agent was then questioned by members of the Committee regarding a variety of matters and confirmed to the Committee that the range of flats which he was describing generally did not have central heating but would have similar electric heating with storage and panel heaters. He indicated there was a gas supply in the area but none was installed in any of the properties currently managed by this particular landlord. He agreed that the kitchen units had been installed about 20 years ago and that the floor coverings had been installed by the tenant. He accepted that the white goods within the property were the tenant's own. It was agreed between the parties that the bathroom had been refurbished approximately five years previously and that of a total cost of £997.66 the landlords had paid £500 towards that cost.
7. The tenant in her submissions to the Committee indicated that she believed that the kitchen should be refurbished and that she would like new work tops and units to be installed. She agreed that the white goods had been provided from her own funds as had the floor coverings. She was responsible for the interior decoration of the property which was done on a regular basis. The tenant also indicated that she was responsible for the maintenance of the back court and that she had spent significant time and effort in creating within the back court a very pleasant back garden and sitting area for all the tenants to enjoy. It was acknowledged by the landlords' representative that the tenant carried out the works to the back garden and that this had enhanced the environment. She had also saved the landlords both capital and recurring expenditure in carrying out the maintenance works. The tenant indicated that she actually cuts the grass using her own lawn mower and her own electricity.
8. In conclusion the landlords' agent indicated he thought the £360 being sought by the landlords was still under the market rent level and he indicated that was intended to reflect the contribution made by the tenant in maintaining the back court and garden areas. The tenant did not produce any significant rental comparisons. The landlords

relied on his knowledge of rental levels in the particular tenement block and his knowledge of other similar rental levels within the Perth area.

The Decision

9. The Committee had the following documentation before them:-
 - Copy Form RR1 in respect of the property being the tenant's application for registration of rent dated 6th January 2015
 - Determination by the Rent Officer dated 21st January 2015
 - Written representation received from the tenant dated 26th February 2015
 - Written representation from the landlords dated 5th March 2015
10. The Committee considered all the documents provided. The Committee also obtained details of other properties available for let in the area from internet advertisements. The Committee also considered all the evidence which was presented during the hearing.
11. The Committee were mindful 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 expertise of other rents with comparable properties in the area as well as having regard to the age, character and locality of the dwellinghouse in question and to the state of repair and, if any, furniture provided for use under the tenancy the quantity, quality and condition of the furniture.
12. The Committee are also required to assume that in terms of Section 48 (2) of the said Act that "the number of persons seeking to become the tenants of similar dwellinghouses in the locality on the terms (other than those related to rent) of a regulated tenancy is not substantially greater than the number of dwellinghouses in the locality which are available for letting on such terms".
13. No capital valuations of the property were produced to the Committee. The Committee were provided with information regarding relevant rentals for comparable properties in the area by the landlords. The Committee also obtained information regarding comparable rentals from internet advertisements. Accordingly the Committee proceeded to exercise their judgment and to use the information provided by the landlords and the information available to them from other sources.
14. The Committee having considered all matters took the view that the appropriate rent for the property under consideration would be £380 per month or £4560 per annum. The Committee took the view that that would be the fair market rent for this property in this locality on the assumption that it generally had a modernised kitchen and where floor coverings, decoration and white goods were provided by the landlords. The Committee took the view that central heating was not generally available in similar flats in the locality and that all of the flats in comparison also had double glazing.
15. The Committee therefore considered that a deduction was required to reflect the difference between the property at 19D Methven Street, Perth and the market rent for a similar flat of the same size and in the same location where a modernised kitchen, white goods, floor coverings and decorations were provided by the tenant.
16. The Committee took the view that the cost involved in providing a modern kitchen, white goods, floor coverings and decorations would amount to £550 per year. Accordingly the Committee determined that a fair rent for the property would be £4,010 per annum (£334.17 per month) being the market rental level of £4,560 per annum (£380 per month) under deduction of the works required to reflect the differences between the subject property and the properties with modernised kitchen, white goods, floor coverings and decorations.

17. Having determined the rent, the Committee then considered whether there should be any scarcity deduction in terms of Section 48 (2) of the 1984 Act. Applying their skill, knowledge and experience, the members of the Committee could find no evidence of excess demand for properties such as the one under inspection and noted also that there appeared to be a large number of properties available for rent in the locality of the subjects. The Committee accordingly determined that there was no significant scarcity of properties.
18. Having considered all the relevant factors, the Committee decided a fair rent for the property at Flat 19D North Methven Street, Perth should be £4,010 per annum or £334.17 per month. In reaching this decision the Committee have had regard to all of the considerations required to be taken into account in terms of Section 48 of the Rent (Scotland) Act 1984. The Committee decided that that rent should apply from the date of determination, being 29th April 2015.
19. The decision of the Committee was unanimous. This decision takes effect from 29th April 2015.

J. BAULD

Signed

Date 20 May 2015

James Bauld, Chairperson

N. WALKER

Signature of Witness

Date 20 May 2015

Name: NATALIE WALKER

Address: 7 West George Street, Glasgow, G2 1BA

Designation: Senior Court Administrator

**PRIVATE RENTED HOUSING PANEL****Rent (Scotland) Act 1984****Notification Of Decision By The Private Rented Housing Committee**

| REFERENCE NO. | OBJECTION RECEIVED | OBJECTION |
|-----------------|--------------------|-----------|
| PRHP/RR/15/0069 | 12 February 2015 | Landlord |

ADDRESS OF PREMISES

19D North Methven Street, Perth, PH1 5PN

TENANT

Ms Linda McMann

NAME AND ADDRESS OF LANDLORDGlenappin Limited
36 Tay Street, Perth, PH1 5TR**AGENT**KC Property Rentals Limited
7 Douth St Johns Place, Perth, PH1 5XB

DESCRIPTION OF PREMISES The property is a flat contained within a 4 storey sandstone tenement block with a slate roof. The property is situated on the 2nd floor. The tenement block has commercial premises on the ground floor and two flats on each floor above. The property itself consists of a living room, one bedroom, a kitchen, bathroom and hall. The gross internal floor area amounts to approximately 75 square metres

SERVICES PROVIDED none**COMMITTEE MEMBERS****CHAIRPERSON**
SURVEYOR MEMBER
HOUSING MEMBERJim Bauld
Sara Hesp
Christopher Harvey

| FAIR RENT | DATE OF DECISION | EFFECTIVE DATE |
|-----------------|------------------|----------------|
| £ 4,010.00 p.a. | 20 May 2015 | 29 April 2015 |

J. BAULD

Chairperson of Private Rented Housing Committee

Date:

20 May 2015