

**LEASEHOLD VALUATION TRIBUNAL
OF THE
MIDLAND RENT ASSESSMENT PANEL**

Ref: BIR/00CT/OAF/2006/0061

*DECISION OF THE LEASEHOLD VALUATION TRIBUNAL
ON AN APPLICATION UNDER SECTION 21 OF THE LEASEHOLD REFORM ACT 1967*

Applicants: Mr. N.S Black and Mrs. S. Holland-Black (leaseholders)

Respondent: JGS Properties Limited (freeholder)

Subject property: 10 Burgess Croft
Solihull
West Midlands
B92 0QJ

Relevant Valuation Date: 19 September 2005

Application to the LVT: 21 March 2006

Hearing: 26 April 2006

Appearances:

For the Applicants: Mr. A. Brunt FRICS

For the Respondent: The Respondent did not appear

Members of the LVT: Mr. A.P. Bell MA LLB
Mr. D.J. Satchwell FRICS
Mrs. A.M. Bartram

Date of determination: **12 MAY 2006**

Introduction

1. This is a decision on an application under the Leasehold Reform Act 1967 ("the 1967 Act") made to the Leasehold Valuation Tribunal by Mr N.S. Black and Mrs S. Holland-Black, the leaseholders of the house and premises at 10 Burgess Croft, Solihull, West Midlands, B92 0QJ ("the subject property"). The application is under section 21(1)(a) of the 1967 Act for the determination of the price payable under section 9 of the 1967 Act for the freehold interest in the subject property and the Respondent's reasonable legal costs.
2. The subject property is held under a lease for a term of 99 years less three days from 24 June 1976 at an annual ground rent of £75.00 for the first thirty-three years rising to £150.00 on 24 June 2009 and to £300.00 on 24 June 2042. The unexpired term at the date of the notice of tenant's claim to acquire the freehold was 70 years.
3. The Applicants served on the Respondent a tenant's notice dated 19 September 2005 ("the relevant date") claiming to acquire the freehold interest in the subject property under the terms of the 1967 Act, and they subsequently made the present application.
4. The Tribunal accepts that the qualifying conditions for enfranchisement under the 1967 Act are satisfied.

Subject property

5. The subject property comprises a detached house on an average sized plot in an established residential area on the outskirts of Solihull. The house is of brick construction with a pitched tiled roof. The accommodation comprises a hall, cloakroom, two reception rooms, a kitchen and utility room on the ground floor and a master bedroom with an en-suite shower room, two other bedrooms and a combined bathroom/wc on the first floor. The subject property has an integral garage.

Inspection and hearing

6. The Tribunal inspected the subject property on 26 April 2006 in the presence of Mr. N. S. Black, one of the Applicants, and also the Applicants' representative, Mr. A. Brunt.
7. The subsequent hearing was attended by Mr. Brunt representing the Applicants. The

Respondent did not attend and was not represented.

8. The representatives of both parties agreed that:

- The unexpired term was 70 years
- The relevant date was 19 September 2005
- The site apportionment should be 35%
- The yield rate to be applied to all stages of the calculation should be 6½%
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The matters in dispute are the entirety value and whether the Applicants are liable to pay a valuation fee.

Representations of the parties

9. Mr. Brunt representing the Applicants submitted that a figure of £275,000 reflected the entirety value based on a sale of the leasehold interest in the next door property, 12 Burgess Croft, for £272,000 on 2 June 2005.
10. Mr. Brunt claimed that the Applicants had not received a visit from a surveyor on behalf of the Respondent and no evidence had been submitted by the Respondent in support of this. Mr. Brunt pointed out that if a surveyor had inspected the subject property he would have discovered that there were only three bedrooms and not four as stated in the Respondent's written submission. Mr. Brunt also contended that the Respondent's two comparables, numbers 1 and 8 Marling Croft, each had four bedrooms and were both built on bigger plots.
11. The Respondent in its written submission valued the entirety value of the subject property at £290,000 relying on a sale of 8 Marling Croft which was situate on the same estate as the subject property for £280,000 on 6 December 2004 and a sale of 1 Marling Croft for £310,000 on 30 July 2004.

Decision


12. The Tribunal agrees with Mr. Brunt that the entirety value of the subject property at the relevant valuation date was £275,000 and that numbers 1 and 8 Marling Croft relied on as comparables by the Respondent both have bigger gardens and better on-site and off-site parking facilities.

13. The parties having agreed the length of the unexpired term, the site apportionment and the yield rate, the Tribunal (applying figures of Years Purchase from Parry's Valuation Tables) calculates the price payable as follows:

14.	<u>Term:</u>		
	Current Ground rent:	£75 per annum	
	YP 4 years @ 6½ :	3.4258	£256.94
	Ground rent from 24 June 2009:	£150 per annum	
	YP 33 years deferred 4 years @ 6½%: 13.45909		£1,568.64
	Ground rent from 2 June 2042:	£300 per annum	
	YP 33 years deferred 4 years @ 6½%: 13.45909		£392.46
	<u>Reversion:</u>		
	Entirety value:	£275,000	
	Site apportionment @ 35%:	£96,250	
	Section 15 modern ground rent @ 6½%:	£6,256.25	
	YP in perpetuity deferred 70 years @ 6½%: 0.18733		<u>£1,171.98</u>
			£3,390.02

Say £3,390

15. Accordingly the Tribunal determines the price payable by the Applicants under section 9 of the 1967 Act for the freehold interest in the subject property at £3,390. In reaching its determination the Tribunal has had regard to the relevant law, their inspection of the subject property and the relevant comparables, the representations of both parties and the Tribunal's own knowledge and experience as an expert tribunal, but not any special or secret knowledge.
16. The Tribunal determine that the sum of £300 plus VAT (if applicable) should be awarded for the Respondent's legal costs, but that no valuation fee is payable in the absence of any evidence from the Respondent that an inspection of the subject property was carried out.

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A P Bell

Chairman

Dated **12 MAY 2006**