

**LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL  
ON AN APPLICATION UNDER SECTION 24 OF THE LEASEHOLD REFORM  
HOUSING AND URBAN DEVELOPMENT ACT 1993**

**Applicant:** Miss B Billings & Mr J Wilks

**Respondent:** Mr P S Sandholm, Ms M de Inza & Mr R R Harper

**RE:** 15 Manor Road, London, SE25

**Application to Tribunal by** Messrs Streeter Marshall **dated** 1 July 2005

**Members of the Leasehold Valuation Tribunal:**

Mrs J McGrandle BSc (EstMan) MRICS MRTPI (Chairman)  
Mr F W J James FRICS

**Leasehold Valuation Tribunal's determination:** £6,175

**Date of Tribunal's decision:** 24 OCT 2005

## Preliminary

1. On 1<sup>st</sup> June 2005 Croydon County Court made an order pursuant to S.26(1) of the Leasehold Reform, Housing and Urban Development Act, 1993 ("the Act") vesting the freehold interest in the property known as 15 Manor Road, South Norwood, London SE25 in the applicants, Miss Beverley Billings and Mr Joseph Wilks. The order was subject to valuation and any other terms set by the Leasehold Valuation Tribunal and payment into court by the applicants of the sum determined thereby. Service of the Initial Notice pursuant to S.13 of the Act upon the landlord who cannot be found was dispensed with.
2. The applicants by their solicitor made application to the Tribunal by letter dated 1<sup>st</sup> July 2005 and received on 5 July 2005, supporting their application by a report and valuation dated December 2004 prepared by Mr R.E. Veness FRICS of Edward Payne and Veness proposing an enfranchisement price of £1,740 (which the Tribunal amended to £2,062 to take account of an arithmetical error).
3. There was no hearing and the Tribunal, relying on their own knowledge and experience, did not think it necessary to inspect. In any event, prior notice of intention to inspect the area would have to have been given to the parties.
4. Mr Veness supported his premium of £1,740 (sic) by adopting a yield rate of 10%, a long leasehold value of £182,500, being £90,000 for the ground floor flat and £92,500 for the upper unit, and a relativity for the 79 year unexpired term of 98.5%.

## Decision

### 1) Valuation date

5. The application to the County Court was dated 21<sup>st</sup> April 2005 and in accordance with S.126 of the Commonhold and Leasehold Reform Act 2002 and the Commonhold and Leasehold Reform Act 2002 (Commencement No. 5.....) Order 2004, this was the valuation date.

### 2) Yield

6. In the Tribunal's view, the appropriate yield for the term, bearing in mind that this is a relatively secure investment on a full repairing lease, is 9%.

### 3) Capital values

7. The figures put forward by Mr Veness in his valuation of December 2004, namely, £90,000 for the ground floor flat and £92,500 for the upper unit, were unsupported. The Tribunal noted the transaction prices for each of the two flats which were in the bundle of documents submitted by the applicants and noted in particular that the first floor flat was

sold to one of the applicants in July 2002 for £102,000. Accordingly, taking into account the passage of time and the general movement of property prices, they determined figures of £107,500 and £105,000 for the long leasehold interests respectively in the ground floor and first floor flats.

#### 4) Relativity

8. The Tribunal note the figure of 98.5% put forward by Mr Veness but determine that for the 79 year unexpired term the appropriate figure is 95%.

9. The Tribunal's valuation, determining an enfranchisement price of £6,175, to include the specified premises, the front and back garden areas and the dustbin store, is attached as Appendix 1.

#### 5) Terms of transfer

10. Included in the bundle of documents was a draft transfer. This transfer is approved subject to the following amendments:

Section 9: The sum of £1,740 should instead be £6,175.

Section 13: Signature clause: "Signed as a deed by (named person/or officer of the County Court) on behalf of the transferor in pursuant of an Order of Croydon County Court dated 1st June 2005".

CHAIRMAN.....*J. McRandle*

DATE.....*24 October, 2005.*

**THE TRIBUNAL'S VALUATION****15A AND 15B MANOR ROAD, SOUTH NORWOOD, LONDON, SE25 4TA**

Value of flats on freehold basis	£212,500
Value of existing leases @ 95%	£201,875

**1. Freeholder's existing interest**

Rent reserved	£100 pa	
YP 13 years @ 9%	<u>7.487</u>	£748.70

Reversion to	£200 pa	
YP 33 years @ 9%	10.464	
PV £1 in 13 yrs @ 9%	0.3262	
	<u>3.413</u>	<u>£682.60</u>

Reversion to	£300 pa	
YP 33 years @ 9%	10.464	
PV £ in 46 years @ 9%	0.01895	
	0.1978	£59.34

Reversion to	£212,500	
PV £ in 79 years @ 9%	<u>0.0011</u>	<u>£233.75</u>

Value existing freehold	£1,724.39	£1,724.39
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**2. Marriage Value**

Unencumbered freehold	£212,500	
Less value existing lease	£201,875	
Existing freehold	£1,724	
	<u>£203,599.39</u>	<u>£8,900.61</u>

50%		<u>£4,450.31</u>
		£6,174.70

Say	£6,175	
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