

**SOUTHERN RENT ASSESSMENT PANEL &
LEASEHOLD VALUATION TRIBUNAL**

Case Number

CHI/24UP/OAF/2005/0024

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER SECTIONS 21 and 27 OF THE LEASEHOLD REFORM ACT 1967

Applicants:

Mr and Mrs F G Packer (No. 14)
Mr E J Coffey (No. 15)

Respondents:

Persons(s) unknown

Re:

14 & 15 Western Road, Winchester, SO22 5AH

Date of Application:

11 April 2005

Date of Hearing:

8 September 2005

Venue:

Stoneham Room, Wells Place Centre, Eastleigh

Appearance

For the Applicants

Mr Peter Spelman BSc. FRICS

Appearance

For the Respondents

None

Members of the Tribunal:

Mr J H S Preston JP FRICS
Mr D L Edge FRICS
Mrs C Newman JP

Clerk to the Tribunal:

Mrs J Rhodes

Date of Valuation:

8 September 2005

Date of Decision:

8 September 2005

The Application

1. Franklins Solicitors of Abingdon, acting for both applicants, submitted an application dated 11 April 2005 under the Leasehold Reform Act 1967 ("the Act") for the Tribunal to determine the price payable under Section 9 of the Act for the houses and premises of Nos. 14 and 15 Western Road, Winchester.
2. On 24 May 2005 District Judge N J Murphy made an Order that the matter be referred to the Leasehold Valuation Tribunal to determine the price payable by the claimants under Section 27 of the Act for the freehold of the stated properties.
3. The District Judge also ordered that upon payment to the Court of the price so determined together with £30.00 in respect of six years rent arrears accrued at £5.00 per annum, transfers of the said freeholds to the claimants in the form of the draft attached to the Order be executed by Julia Durell Kent, Solicitor of Franklins.
4. The draft transfer referred to above was not included in the Tribunal's bundle of papers.

The Properties

5. These are a semi-detached two-storey pair of houses constructed of brick with a slate roof in the late 1880's. The accommodation of each house is similar, being: - On the ground floor: Hall; Sitting room; Dining room; Kitchen; Outside WC and Store. On the first floor: Two double Bedrooms; Bathroom/WC. The curtilage of each house includes a front garden adapted for car parking, and a larger rear garden to which No. 15 has side access from the front
6. Western Road, an adopted road, is situated on the north west side of the city centre of Winchester, a short distance from the High Street.
7. All mains services are connected to the houses.

The Lease

8. The document dated 22 October 1887 is in respect of the premises then known as 1 and 2 Jubilee Villas. It provides for a term of 999 years from 1 June 1887 at a yearly fixed rent of £5.00. It demised the land in consideration of the erection of the two dwellings by the lessees. Maintenance and insurance liabilities are those of the lessees.
9. There is provision for the lessees to assign their interests in the property. The leasehold interest in No. 14 was assigned to Mr and Mrs Packer by a Deed of Assignment dated 21 August 1958 and that in No. 15 was assigned to Mr Coffey by a Deed of Assignment dated 6 August 1958.

The Landlord

10. The original lessor was Edward Burcher Aylward. Franklins had made attempts to contact his successors in title to no avail.

The Applicants' Valuation

11. Mr Spelman's valuation dated 12 July 2005 is in the sum of £100,000, split equally between the two houses. He assessed this as the price payable to compensate the freeholder for loss of the rent. He stated that any marriage value should be ignored and by way of background information that houses in this part of Winchester currently sold with vacant possession for about £350,000 to £425,000.

Inspection

12. In the presence of the applicants and of Mr Spelman, the tribunal inspected the properties prior to the hearing and found the accommodation to be as described above. Both properties appeared to be in excellent condition, having been both improved and maintained to a high standard by the leaseholders.

The Hearing

13. This was held in Eastleigh and was attended by Mr Spelman for the applicants. He was invited to address the tribunal on his valuation report.

14. Mr Spelman provided copies of the two Deeds of Assignment referred to above. He was valuing the freeholder's interest subject to the lease with 881 years unexpired. He confined this to capitalisation of the annual rent of £5, with no review throughout the term. He ignored any marriage value and any value in the reversion. He commented that there was no provision for any service charges, nor for any insurance commission to be payable to the landlord. He had capitalised the rent at 20 years' purchase to arrive at his valuation of £100 to be split equally between each property.


The Decision

15. The Tribunal in deciding the price payable for enfranchisement in respect of these two properties took account of the following:-

- Marriage value was to be disregarded in accordance with Section 146 of the Commonhold and Leasehold Reform Act 2002. ("the 2002 Act")
- The value of the freeholder's reversion in the properties, which unimproved would in the tribunal's opinion be worth today about £250,000 each, was nil.
- Under Sec 166 of the 2002 Act, the landlord would be required to demand the annual rent from each leaseholder, to make each tenant liable. The cost of this and of chasing up any late payments would be high relative to the amount of the rent. There was no provision for any revision of the annual rent. These factors would combine to make the investment relatively unattractive.
- The appropriate investment return at which to capitalise the rent would therefore be 7 ½ %.

16. The Tribunal determined that the amount payable would be the sum of £67.00 to be apportioned equally between the two applicants. In addition as prescribed by the Judge £30.00 would be payable in respect of arrears of rent.

17. The Tribunal reserved their approval of the draft form of transfer (Form TR 1), pending submission of this document by Franklins.

Signed by J H S Preston (Chairman).....

On... 8 September2005