

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE
SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

LEASEHOLD REFORM ACT 1967

Case No: CHI/00HA/OAF/2006/0008

Property: 60 Marshfield Way, Bath, BA1 6HQ
Applicants: John Robert Symonds & Penelope Freya Anne Symonds
Respondent: Bath Ground Rent Estate Limited

Tribunal: Mr D.R.Hebblethwaite BA (Chairman)
Mr M.Ayres FRICS
Mr D.Wills

DECISION

1. The Applicants are the owners of the Property under a Lease dated 25th July 1963 for the residue of a term of 999 years from 24th June 1962 at a yearly rent of £8.40. The freehold reversion is vested in the Respondent.
2. On 21 April 2006 the Applicants gave notice to the Respondent of their desire to have the freehold of the Property. On 28 April 2006 the Respondent served a notice in reply admitting the Respondents' right to have the freehold and giving its opinion that the Property should be valued in accordance with section 9(1A) of the Act.
3. Negotiations between the parties to settle the purchase price have not been successful and the matter has been referred to the Tribunal for that purpose.
4. On 6 September 2006 the Tribunal inspected the Property. As the condition of the Property is not material to the decision details will not be set out. It is a well maintained three bedroom house in a suburb of Bath not far from the city centre.
5. On the same date a hearing was held at New Oriel Hall, Larkhall, Bath. The Applicants attended. No one attended on behalf of the Respondent. The Applicants told the Tribunal of the history of the negotiations. The Applicants paid £260.00 to the Respondent's solicitors for valuation and administration. No valuation was ever seen. The Respondent proposed a purchase price of £1850.00 plus legal fees which it later reduced to £1000.00. The Applicants offered £200.00. No agreement was reached.
6. After the hearing the Tribunal considered the case. Neither party had made a submission addressing a calculation of purchase price under the principles established under the Act. The Tribunal as an expert body considered the situation, deciding that the case fell under section 9(1). The Tribunal had regard to the length of the unexpired term of 955 years as discounting any assumption of reversion. The value of the freehold is simply the right to receive income of £8.40 per annum without increase for the remainder of the term which is tantamount to

in perpetuity. In those circumstances the appropriate yield is 7%. In Parry's Valuation Tables this gives a multiplier of 14.28. Thus:

$$£8.40 \times 14.28 = £119.95$$

This is the correct way to calculate the purchase price in this case and the Tribunal decided to round it up to £120.00.

7. The Tribunal therefore decided that the purchase price will be **120.00**.

Signed

David Hebblethwaite, Chairman

22 September 2006