

SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL

CHI/00HP/OCE/2006/0051

Decision of the Leasehold Valuation Tribunal on an application under Section 24 of
the Leasehold Reform Housing and Urban Development Act 1993

Applicant:	The Wick Freehold Limited
Respondents:	Bernard Greenwold & Nicole Marie Greenwold
Re:	The Wick, 10 Burton Road, Branksome Park, Poole
Date of Application	19 th June 2006
Date of Inspection	26 th September 2006
Date of Hearing	26 th September 2006
Venue	Express by Holiday Inn, Poole
Appearances for Applicant	Mr A Howard, DTW Solicitors
Appearances for Respondents	none

Members of the Leasehold Valuation Tribunal:

	M J Greenleaves	Chairman
	J S McAllister FRICS	Valuer Member
	J Mills	Lay Member
Date of Tribunal's Decision:	15 th October 2006	

Decision

1. The Transfer of the Freehold of the The Wick, 10 Burton Road, Branksome Park, Poole (the property) shall be in the form of the draft submitted by the Applicant's solicitors to the Respondents' solicitors for approval on 1st August 2006
2. The price to be paid for the Freehold is the sum of £19,121.
3. The lease back of Flat 4 of the property shall be on the terms of the lease of Flat 1 The Wick dated 4th September 2003 and made between Nicole Marie Greenwold (1) and Bernard Greenwold (2) subject to the following variations:
 - a) The Landlord shall be The Wick Freehold Limited
 - b) The Tenants shall be Nicole Marie Greenwold and Bernard Greenwold
 - c) The description of the residence in the First Schedule shall refer instead to 4 The Wick and consequential amendments to that Schedule shall be made
 - d) The plan to be attached shall include the footprint of Flat 4 and shall be in a form acceptable to HM Land Registry
 - e) The term shall be 999 years from the date of completion of the freehold purchase by the Applicant
 - f) The ground rent shall be a peppercorn
 - g) The stamp duty exemption certificate at Clause 10 shall be omitted
 - h) The service charge payable in paragraph 10 of the Fourth Schedule shall be such percentage as is equal to 31.67% less the proportion payable by Flat 6 in the last service charge year for which service charge demands have been issued to date.

Reasons

Introduction

4. This was an application made under Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993 (the Act) for determination of terms in dispute relating to the enfranchisement of The Wick, 10 Burton Road, Branksome Park, Poole (the Property) under Section 1 of the Act.
5. By Initial Notice dated 20th October 2005 given by the named participating qualifying tenants (the Qualifying Tenants) to the Respondent Nicole Marie Greenwold (the original respondent), the Tenants proposed to acquire the freehold of the Property under the Act
6. By Counter-Notice dated 4th January 2006 the original respondent admitted that the Tenants were entitled to exercise the right to collective enfranchisement under the Act subject to certain terms.
7. Consequent upon the transfer of the freehold on 29th June 2006 by the original respondent to the Respondents, the Respondents became parties to the Applicant's claim under the Act.

8. The parties had agreed
 - a) the valuation date to be 20th October 2005
 - b) that the unexpired term under the existing leases was 81 years and 5 months
 - c) the freehold value of the unexpired term is £12,175
 - d) the costs to be paid by the Applicant to the Respondent.
9. The issues remaining to be determined by the Tribunal were:
 - a. the terms of the Transfer of the Freehold
 - b. the value of the reversionary interest in the freehold
 - c. accordingly the total price to be paid
 - d. the terms of the leaseback of Flat 4, save that it was agreed the new lease should be for 999 years

Inspection

10. The Tribunal inspected the Property on 26th September 2006 in the presence of Mr Hodge (Flat 5), Mr & Mrs Harvey (Flat 6) and Mr Howard. The Tribunal was able to inspect internally Flats 2, 5 and 6.
11. The property is in a residential area in Branksome Park, Poole. It was constructed in the late 19th Century and was converted into 6 flats in about 1988. The property appears to be in good condition for its age and character. Each of the flats is individual in layout, extent and character and, so far as the Tribunal could ascertain, were appropriately described in the valuation report dated 30th August 2006 of Agnes Sawyer BSc MRICS of Nettleship Sawyer Limited, valuers for the Respondents.

Hearing

12. On the same day the Tribunal held a hearing which was attended by Mr Howard for the Applicant. He had previously submitted a skeleton argument with Appendices and the Tribunal also had the benefit of other papers submitted prior to the hearing.
13. Mr Howard said that in respect of valuation, the following items had been agreed: the valuation date (as above) the term yield of 6.5% and the deferment rate of 7%. The issue to be determined therefore related to the value of Flats 1, 2, 5 and 6 (the value of the reversion of Flat 3 was agreed at £325,000) i.e. the value of the reversion.). The Applicant's evidence, in the Report dated 24th August 2006 of S A Higley BSc FRICS of Slades, Surveyors and Valuers, was that together they were valued at £1,420,000. This produced the value of the reversion in the sum of £5,680. The Respondents' evidence, in the Report of Agnes Sawyer (referred to above) valued the flats at £1,715,000 resulting in a value of the reversion in the sum of £6,946.
14. Terms of lease back of flat 4. Mr Howard had set out proposals in his skeleton argument and no counter-proposals had been submitted.

15. In coming to a determination of the proportion of service charge to be payable by Flat 4, he noted that Flat 1 paid 15.66%; Flat 2 16.67%; Flat 3 "a proportionate part" which was in fact charged at 18%; Flat 5 18% and Flat 6 "a proportion". The total of percentages actually known to be used was therefore 68.33%

16. He submitted the plan to be attached to the lease of Flat 4 would reflect the footprint of that flat but that the plan should comply with the requirements of HM Land Registry.

Consideration.

17. The Tribunal took into account its inspection of the property and those flats which it had been able to inspect, the valuation reports submitted by the parties, the other case papers and submissions made.

18. Taking also into account its own knowledge and experience, the Tribunal considered the total value of Flats 1, 2, 3, 5 and 6 would be not less than £1,715,000 and therefore agreed the Respondents' figure in the sum of £6,946. The Tribunal then made the calculation set out in the Schedule to these reasons reaching a price to be paid for the Freehold of £19,121

19. The terms of the lease of Flat 4 were reached taking into account Mr Howard's skeleton and his submissions particularly in relation to the proportion of service charge to be attributed to that flat.

20. The Tribunal made its decisions accordingly.



M J Greenleaves (Chairman)

A member of the Southern
Leasehold Valuation Tribunal
appointed by the Lord Chancellor

Agreed value of the unexpired term		12,175
Reversion to market value	1,715,000	
PV of £1 in 85 years 5 months @ 7%	<u>0.00405</u>	<u>6,946</u>
Total		19,121