

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL
ON AN APPLICATION UNDER SECTION 21 AND 21 (1) (ba) OF
THE LEASEHOLD REFORM ACT 1967**

IN THE CASE

OF

PREECE v ST. ERMINS PROPERTY COMPANY LIMITED

**106 CLAREMONT ROAD
TAMWORTH
STAFFORDSHIRE
B79 8ES**

Reference : BIR/41UK/OAF/2004/0262

Background

This a determination under Section 9 of the Leasehold Reform Act 1967 (as amended) as to the price to be paid for the freehold interest in respect of a detached house, 106 Claremont Road, Tamworth, Staffordshire, B79 8ES. The Lessees, Mr. K H Preece holds the property by way of a Lease dated 15th September 1964 for a term of 99 years from 24th June 1963 at a yearly ground rent of £20. The Tenant's Notice of Claim to acquire the freehold interest was dated 28th June 2004, when approximately 58 years of the term remained unexpired. The Tribunal accepted that the qualifying conditions for entitlement to enfranchise under the Act had been fulfilled.

Property

The Tribunal inspected the property on 20th December 2004 in the presence of Mr. and Mrs Preece. The property comprises an extended two storey detached house of brick and interlocking tile construction fronting onto a road of largely similar properties on the northern outskirts of Tamworth, close to open countryside and within reasonable distance of the town's amenities.

The property has the benefit of central heating and double glazed windows.

The accommodation comprises an entrance porch; open plan through living room; kitchen (with breakfast area) and conservatory on the ground floor, with four bedrooms and a combined bathroom/W.C. on the first floor. Externally the property has both front and rear gardens as well as a side garage. The site of the subject property has a road frontage of approximately 9.144 metres (30 feet) and an area of circa 303.5 square metres (363 square yards).

Hearing

At the Hearing the Lessees were represented by Mr. J. Moore M.A. of Midland Valuations Ltd. The Landlords were not represented.

The Hearing commenced with Mr. Moore introducing his case on behalf of the Lessees by submitting details of the property and the following valuation:-

Term

Current Ground Rent :	£20	
YP 58 years @ 7%	<u>14.003</u>	
		£280.06

Reversion

Entirety Value :	£200,000	
Site Apportionment @ 35%:	£ 70,000	
Sec.15 Modern Rent @ 7%:	£ 4,900	
YP in perp. deferred 58 years @ 7% :	<u>0.282</u>	
		£1381.80
		£1661.86

In support of his Entirety Value, Mr. Moore indicated that there was little direct comparable evidence to assist the Tribunal, but he referred to a number of sales in the vicinity:

298 Masfield Drive: a three bedroomed detached house with side garage currently for sale (some six months after the relevant valuation date) at an asking price of £155,000

Norman Close, Coton Green (off the adjoining estate): a three bedroomed detached house on the market (again, six months after the relevant valuation date) at an asking price of £190,000 but in a location which Mr Moore considered to be inferior to the subject property. Whilst unable to identify the number of the property, Mr Moore produced a photograph of it taken from a newspaper advertisement.

Edgar Close: as with Norman Close – a three bedroomed detached house on the market at £190,000.

Cromwell Road (on the adjacent estate): A leasehold three bedroomed link detached house requiring some modernisation, sold in November 2004 at a figure of £167,000

Cromwell Road: a similar, but improved property, sold on a freehold basis at approximately the same time for £187,000.

67 Telford Road: a three bedroomed semi detached house in what Mr Moore again regarded as an inferior location, presently on the market at an asking price of £145,000.

36 Firtree Close: a freehold, four bedroomed house sold in August/September 2004 for £205,000.

In relation to the questions of the appropriate apportionment to be used in arriving at the site value, and the yield rate, Mr Moore quoted previous decisions of the Tribunal involving similar properties as authority for adopting a site value of 35% and a yield rate of 7%.

In summary, therefore, he had adopted an Entirety Value of £200,000; a Site Value of 35% of that figure and a Yield rate of 7%.

Costs

On the subject of the Landlord's legal costs, Mr. Moore suggested a reasonable fee for the conveyancing work involved would be £275 (plus VAT if applicable) and disbursements. The freehold title was registered and he cited previous (non specific) Tribunal decisions as authority for the adoption of that figure.

In relation to the Landlord's valuation fees, Mr. Moore submitted that as no internal inspection or valuation of the property had been carried out either by the freeholder or their agents between the date of the Lessee's Notice of Claim and the date of the application to the Tribunal, then the Landlords were not entitled to recover any valuation costs from his clients.

Decision

1 – Freehold

The Landlords not having submitted any written representations to the contrary, the Tribunal saw no reason to disagree with Mr. Moore's valuation.

The Tribunal therefore determined that the price to be paid for the freehold of the subject property should be £1661.

2 – Costs

In relation to costs, the Lessee's application for a determination is pursuant to Section 21 (1) (ba) of the Leasehold Reform Act 1967 as the freeholder's reasonable costs payable under Section 9 (4) of that Act.

Legal:

In cases of this type the conveyancing is normally of a very straightforward nature which many Solicitors are prepared to undertake on a competitive basis. At the present time, a reasonable charge is considered to be £300 (excluding VAT) plus any Land Registry fee for Office Copies.

Valuation:

In the absence of any evidence that a valuation has been undertaken by or on behalf of the Landlords in consequence of the Tenant's Notice, no valuation costs are payable by the Lessee pursuant to Section 9 (4) (e) of the Act.



NIGEL R. THOMPSON
CHAIRMAN

DATE *21st December 2004*