

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

LEASEHOLD REFORM ACT 1967

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

Case No: CHI/29UE/OAF/2004/0001

Property: 1 Alison Close
Whitfield
Dover
Kent

Applicants: Mr. R. and Mrs. G.M. Smith

Respondent: Mr. D.M. Betts

Date of Hearing: 7th April 2004

Members of the Tribunal: Mr. R. Norman (Chairman)
Mr. R. Athow FRICS MIRPM
Mr. M.G. Marshall FRICS

Date decision Issued:

RE: 1 ALISON CLOSE, WHITFIELD, DOVER, KENT

Background

1. On the 16th January 2003 the Applicants gave to the Respondent a notice of their desire to acquire the freehold of 1 Alison Close, Whitfield, Dover ("the subject property"). No response was received from the Respondent.
2. The Leasehold Reform Act 1967 ("the Act") provides that an application may be made to a Leasehold Valuation Tribunal for the determination of the price payable for a house and premises under Section 9 of the Act and on the 6th February 2004 such an application was received.
3. We were provided by the Applicants with a copy of the lease, a copy of a Land Registry entry (but without a copy of the filed plan) and a valuation by Leslie Cudmore FRICS dated 28th January 2004. Nothing was received from the Respondent.

4. The lease is for a term of 999 years from the 29th September 1961 and the ground rent is £20 per annum.

5. Our determination appears at paragraphs 12 to 16 below.

Inspection

6. On the 7th April 2004, we inspected the subject property in the presence of the Applicants.

7. The subject property is a semi-detached bungalow built on a plot about 130 feet deep and about 41 feet wide. The bungalow has two bedrooms, a living room, bathroom with wc, kitchen and conservatory. Outside there are front and rear gardens, a garage, car port, shed and greenhouse.

The hearing

8. The hearing was attended by Mr. Smith, one of the Applicants, and by Ms Smith as a lay advocate on behalf of the Applicants. There was no appearance by the Respondent or anyone on his behalf.

9. The Act provides that in addition to an application for the determination of the price to be paid, an application may be made for the determination of certain other matters and the application was also made under Section 21 (2) of the Act for the Tribunal to determine what provisions ought to be contained in the conveyance. The application form requests that details should be given but no details were provided and we explained that in the absence of such details we could not deal with that part of the application because, apart from any other consideration, the Respondent did not have notice of the provisions requested. At the hearing, Ms Smith produced a copy of the draft Transfer received by the Applicants from their Solicitors but it contained no additional provisions to deal with, for example, rights granted or reserved, restrictive covenants or other covenants. It seemed to us from the limited information we had that there would need to be included in the Transfer for the benefit of the Applicants such rights as the Respondent could convey in respect of, for example, rights of drainage over adjoining property and the right to enter onto adjoining property to effect repairs and that the Transfer should be subject to such rights as had been granted for the benefit of adjoining property.

10. No doubt the Applicants' Solicitors will be making appropriate searches and enquiries to check that the Respondent is still registered as the freeholder of the subject property and that he is able to execute a Transfer, particularly in view of the entries in the Proprietorship Register, and to determine the rights which need to be included in and reserved from the Transfer.

11. Mr. Smith said that the Applicants had paid £68,000 for the lease of the subject property about four years ago and he thought that it would be worth about £140,000 now.

The Determination

12. We considered the evidence which had been given at the hearing, the documents submitted before the hearing and our inspection of the subject property. We also had regard to our knowledge of the property market in the locality.

13. In accordance with Section 9 of the Act we calculated the appropriate sum to be paid for the freehold reversion in respect of the subject property. That sum comprised the capitalised ground rent for the remainder of the term and the rent under an extended lease taken as a percentage of the site value and then capitalised and deferred for 956 years. We found that the value of the freehold reversion in possession at the end of a fifty year extension of the lease should be ignored as being too remote to have a separate value placed upon it.

14. We came to the conclusion that there was no real development value in the subject property, that similar freehold properties were being advertised for about £165,000 and that for the purpose of our calculations a yield rate of 7% would be appropriate.

15. We calculated the sum to be paid as follows:

Purchase of ground rent.

Ground Rent	£20 p.a.	
956 years purchase @ 7%	<u>11.0612</u>	
		£221.22
Freehold Vacant Possession Value	£165,000	
Site value	33.3%	£54,995
Modern Ground Rent percentage of site value	7%	
		£3,850
YP in perpetuity deferred 956 years @ 7%	<u>0.01762</u>	
		<u>£ 67.83</u>
		£289.05

Say £300.

16. Therefore the appropriate sum to be paid for the freehold reversion in respect of the subject property is £300.



R. Norman
Chairman