

# SOUTHERN RENT ASSESSMENT PANEL

### LEASEHOLD REFORM ACT 1967 SECTION 9

#### ENFRANCHISEMENT OF LEASE

# DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ("LVT")

Case No.

CHI/00HC/OAF/05/03

**Property** 

19 Saxby Close Worle Weston-Super-Mare North Somerset

Applicant

Mr S.F.Daniels

**Date of Inspection and Decision** 

14 February 2005

**Tribunal Members** 

Mr D.R.Hebblethwaite (Chairman)
Mr P.E.Smith FRICS

## Background

- 1. The Applicant owns the Property on the basis of a leasehold title held for the residue of a term of 500 years created by a lease dated 1 September 1557 at a rent of £1.6s.9d. Hundreds of titles in Worle derive from this lease which is lost and the identity of the freeholder in unknown.
- 2. By an Order of the Weston-Super-Mare County Court dated 22 December 2004 it was ordered (inter alia) that pursuant to Section 27(5) of the Leasehold Reform Act 1967 the Applicant pay into court such sum as is directed by the LVT as the price payable for the Property and the amount of rent estimated by the LVT as unpaid at the date of the Order.
- 3. On 4 January 2005 the Applicant referred the court order to the LVT for these valuations to be carried out under Section 9. The Applicant's Notice of Claim was not copied with the Tribunal's papers but the Tribunal assumes it was shortly before the court order and takes that as the date at which the valuations must be fixed.

## Inspection

4. The Tribunal inspected the Property in the presence of Mr Daniels and found it to be as described in the valuation of M.T.Ripley FRICS dated 26 January 2005 and submitted on behalf of the Applicant. 5. The Applicant did not request a hearing.

#### **Evidence**

- 6. The Applicant relied on the "standing house" valuation of Mr Ripley referred to in para 4. He referred to two comparable properties, and concluded an entirety valuation for the Property of £94,000.00. He applied a percentage of 27.5 to calculate a site value of £25,850.00. He proposed a modern ground rent @ 7% = £1,810.00 per annum. He proposed an enfranchisement price, based on a deferment of 52.75 years, the unexpired term of the lease, of £729.07.
- 7. Mr Ripley considered that there should be no contribution to the existing ground rent on the basis that the proportion attributable to the site was negligible.

# Decision

- 8. Relying on its own knowledge and taking everything into account the Tribunal determined the open market entirety value of the Property at £98,000.00
- 9. Applying the guidance in earlier case law, some of which was referred to at page 2 of Mr Ripley's valuation, the Tribunal adopted the "standing house" valuation approach. The Tribunal felt that 30% was the appropriate percentage for the site value, disagreeing with Mr Ripley's argument that it should be 27.5%. The property has a large garden. The Tribunal deducted 1% to reflect the pedestrian right of way between the garden and the house to give 29% and this to gave a figure of £29,400.00. The Tribunal agreed that a modern ground rent should be calculated at 7% to give £2,058.00 per annum. With 52.75 years of the lease to run from the date of the Applicant's Notice the years' purchase multiplier of 0.4028 is correct and gives a resultant figure of £828.96.
- 10. The Tribunal therefore determined that the enfranchisement price to be paid into court is £828.96.

11. The original rent is about 8p in present currency but this would have to be divided between the number of individual houses on the demised premises which runs into hundreds and possibly thousands. The rent for the Property is therefore an infinitesimal fraction of a penny. The Tribunal therefore estimated the amount of ungaid rent at the date of the court order to be nil.

and to Methwint Chairman

10 Minh 2005 Date