

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

Case Numbers: CH1/18UG/OAF/2007/0024

**Application under Section 27(5) of the Leasehold Reform Act 1967 as amended
by Section 149 of the Commonhold and Leasehold Reform Act 2002**

**Re: 19 Holtwood Drive Woodlands Ivybridge Devon PL21 9TH
("the Premises")**

Between: KEITH SIDNEY CLAY and JANE CLAY

Applicants

**THE HEIRS OR ASSIGNS OF THE LATE SIR
WILLIAM STRODE AND RICHARD STRODE
(BEING THE UNKNOWN FREEHOLDER)**

Respondent

**Tribunal Members: Mr D Sproull LLB (Chairman)
Mr P J R Michelmores FRICS
Mr E G Harrison FRICS**

Date of Application: 9th October 2007

Decision

The Tribunal determines that the price payable for the freehold reversion shall be £45.00 and this amount should be paid into Court.

Reasons


1. 19 Holtwood Drive ("the Premises") comprise a two storey four bedroom two reception room detached house on a residential estate on the outskirts of Ivybridge. The house has an integral garage and is at the end of a cul-de-sac.
2. Copies of the Land Registry Official Entries have been produced to the Tribunal showing that the leasehold interest in the Premises was registered in 1985. They are held under a Lease for a term of 500 years from November 1671 at "no rent". The Lease could not be produced on first registration but it was assumed to be dated 9th November 1671 and made between Sir William

Strode and Richard Strode (1) and Sir Richard Chiverton (2). These details having been taken from a 1963 Conveyance.

3. The Applicants are the current registered proprietors listed in the Proprietorship Register and their title was registered on the 16th June 1998 which was before the Land Registry recorded the price which had been paid for a property at that time.
4. On the 24th September 2007 the Plymouth County Court made an Order that the Premises be vested in the Applicants “as if they had on the date of the Summons given notice under the Leasehold Reform Act 1967 to acquire the freehold of the property”.
5. By a letter dated 9th October 2007 the Applicants’ solicitors applied to the Leasehold Valuation Tribunal pursuant to Section 27 (56) of the Leasehold Reform Act 1967 (“the Act”) to acquire the freehold of the Premises.
6. The appropriate sum which in accordance with Section 27 (3) of the Act to be paid in to Court is the aggregate of:
 - a. Such amount as may be determined by (or on appeal from) a Leasehold Valuation Tribunal to be the price payable in accordance with Section 9 of the Act
 - b. The amount or estimated amount as so determined of any pecuniary rent payable for the house and premises up to the date of the Conveyance which remains unpaid
7. Section 9 of the Act sets out in detail the assumptions to be made and the procedure to be followed in carrying out the valuation. The effect of Section 27 (1) is that the valuation date is the date on which the application for an Order was made to the Court and that date is in this case the 24th September 2007.
8. In the bundle provided by the Applicants was a Valuation made by T Davies FRICS of Bradleys of Exeter stating that in his opinion the value which should be placed on the freehold reversion was £50.00. His opinion was that the market value of the Premises was £300,000.00 and this figures was confirmed to the Tribunal by Mr Clay one of the Applicants in the course of the Tribunal’s inspection. Mr Davies gave his opinion of the site value as £100,000.00 and the accepted yield rate of 7% in respect of a modern ground rent. He suggested a deferment rate of 5% and suggested a reversionary value of £54.55 which he rounded down to £50.00.
9. In arriving at its valuation the Tribunal adopted the “standing house” approach and found:-
 - a. The unexpired residue of the term at the date of the valuation is 164 years
 - b. The Tribunal considered that the present day value of the premises is £300,000.00 and that the site value would be £100,000.00

- c. By applying a yield of 7% a modern ground rent of £7,000.00 per annum is appropriate
- d. Capitalising the modern ground rent by applying a deferment rate of 5% and deferring this for the balance of the lease term the value of the reversion is £46.89 which the Tribunal decided should be rounded down to £45.00
- e. The value of the current ground rent is nil

Chairman



Dugald Sproull LLB

Dated

14th December 2007

**Appendix
Tribunals Valuation**

Ground Rent reserved

Reversion

Present value of the Premises £300,000.00

Site value @ 33.3% £100,000.00

Modern ground rent £7,000.00

X Years purchase (in perpetuity) of a reversion deferred
for 164 years @ 5% 0.006698

Enfranchisement Price £46.89

But say **£45.00**