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Our Ref: M/EH 2446

WEST MIDLAND RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: Mr M.J. Ward

Respondent: St Ermins Property Co Ltd

Re: 5 Clifton Avenue, Coton Green, Tamworth, Staffs, B79 8EF

Date of Tenants Notice: 03rd January 2002

RV as at 1.4.73: £221.00

Application dated: 18th April 2002

Heard at: The Panel Office

On: Tuesday 10th September 2002

APPEARANCES:

For the Tenant: Mr J. Moore FRICS – Midland Valuations

For the Landlord: Not Represented

Members of the Leasehold Valuation Tribunal:

N.R. Thompson FRICS (Chairman)
J.H. Dove
G.G.W. Chidlow ACIS

16 OCT 2002

**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**

WARD v ST. ERMINS PROPERTY COMPANY LIMITED

**5 CLIFTON AVENUE
TAMWORTH
STAFFORDSHIRE
B79 8EF**

Reference : M/EH.2446

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 semi-detached house, 5 Clifton Avenue, Tamworth, Staffordshire, B79 8EF. The Lessee, Mr. M.J. Ward holds the property by way of a Lease dated 29th December 1964 for a term of 99 years from 24th June 1963 at a yearly ground rent of £17.50. The Tenant's Notice of Claim to acquire the freehold interest was dated 3rd January 2002, when 60¹/₂ 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 10th September 2002 in the presence of Mr. Ward. The property comprises a two storey semi-detached house of brick and interlocking tile construction fronting onto a road of largely similar properties on the northern outskirts of Tamworth, 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; Hall; Extended Lounge-Dining Room and Kitchen on the ground floor, with three Bedrooms and a combined Bathroom/W.C. on the first floor. Externally the property has both front and rear garden as well as an extended side Garage. The site of the subject property has a road frontage of approximately 8.08 metres and an area of circa 244 square metres.

Hearing

At the Hearing the Lessees were represented by Mr. J. Moore of Midland Valuations. 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

Annual Ground Rent :	£17.50	
YP 60 ¹ / ₂ years @ 7%	<u>14.047</u>	
		£245.82

Reversion

Entirety Value :	£95,000	
Site Value @ 33% :	£31,350	
Sec.15 Rent @ 7% :	£ 2,194.50	
YP deferred 60 ¹ / ₃ years @ 7% :	<u>0.238</u>	
		<u>£522.29</u>
		<u>£768.11</u>

In support of his Entirety Value, Mr. Moore referred to two comparable three bedroomed semi-detached houses which had been sold in the locality: No.67 Telford Road – an extended semi-detached house sold for £83,000 and 22 Hayworth Close – an extended semi-detached house in a cul-de-sac sold for £94,000.

He also quoted previous Decisions of the Tribunal involving similar properties as authority for adopting an Entirety Value of £95,000 and for a site value of 33% and yield rate of 7%. He acknowledged however that the evidence he had cited related largely to transactions and Notices of Claim dated from the autumn of last year, i.e. circa six months before the Notice of Claim in the present case (dated March 2002). He had however still adopted an Entirety Value of £95,000 to reflect the somewhat busier location than the comparable properties.

Decision

The Landlords not having submitted any written representations to the contrary, the Tribunal saw no reason not to accept Mr. Moore's basic approach. However, the Tribunal did not consider the Entirety Value adopted by Mr. Moore adequately reflected the market circumstances, bearing in mind the somewhat "historical" nature of the evidence on which it was based. Accordingly the Tribunal adopted an Entirety Value of £100,000 and determined the price to be paid for the freehold interest as follows:

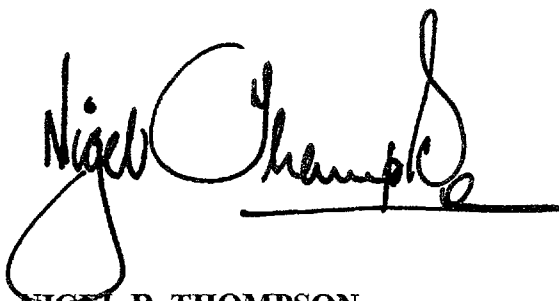
Term

Annual Ground Rent	:	£17.50	
YP 60 ¹ / ₂ years @ 7%	:	<u>14.047</u>	
			£246

Reversion:

Entirety Value	:	£100,000	
Site Value @ 33%	:	£ 33,000	
Section 15 Rent @ 7%	:	£ 2,310	
Y.P. deferred 60 ¹ / ₂ years @ 7%	:	<u>0.0238</u>	
			<u>£550</u>

Price to be paid for the freehold: £796



NIGEL R. THOMPSON
CHAIRMAN

16 OCT 2002