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LVT 96/5

**LEASEHOLD VALUATION TRIBUNAL  
OF THE  
MIDLAND RENT ASSESSMENT PANEL**

Our Ref: M/EH 2517

*DECISION OF LEASEHOLD VALUATION TRIBUNAL*

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

Applicant: **Ms J D Ainger**  
Respondent: **Fell Estates**  
Re: **9 Canaway Walk  
Rugeley  
Staffordshire  
WS15 2XU**

Date of Tenants Notice: **10 May 2002**  
Application to Tribunal dated: **19 August 2002**  
Heard at: **The Panel Office**  
On: **29 October 2002**

APPEARANCES:  
For the Applicant: **Mr S G Langford MRICS of Southwells**

For the Respondent:

Members of the Leasehold Valuation Tribunal:

**Mr N R Thompson FRICS  
Mr P J Waller  
Mrs C Smith**

Date of Tribunals decision:

**19 NOV 2002**

UNEXPIRED LEASE **65** YEARS  
ANNUAL GROUND RENT **£ 20.00**  
VALUE OF PROPERTY **£ 18,000**

**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**

**AINGER v FELL ESTATES LIMITED**

**9 CANAWAY WALK  
RUGELEY  
STAFFORDSHIRE  
WS15 2XU**

**Reference : M/EH2517**

**Background:**

This is 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, 9 Canaway Walk, Rugeley, Staffordshire, WS15 2XU. The Lessee, Mrs. J.D. Ainger, holds the property by way of a lease dated 13<sup>th</sup> October 1971 for a term of 99 years from the 25<sup>th</sup> March 1968 at a fixed annual ground rent of £20. The tenant's Notice of Claim to acquire the freehold interest was dated 10<sup>th</sup> May 2002 when approximately 65 years of the term remained unexpired.

**Property:**

The Tribunal inspected the property on 29<sup>th</sup> October 2002 in the presence of Mrs. J.D. Ainger. The premises comprise a two storey detached house of brick and interlocking tile construction with dormer windows to the principal rooms at first floor level, situated at the head of a quiet cul-de-sac forming part of a substantial estate of largely similar properties on the north western outskirts of Rugeley, and within reasonable distance of the town's amenities.

The property has the benefit of central heating and double glazed windows. The accommodation comprises a Hallway; Through Living Room and Large Kitchen with Utility Area and Pantry on the ground floor, with three Bedrooms, Bathroom and Separate W.C. on the first floor. Externally the property has both front and rear gardens as well as an integral Garage. There is a public footpath running along the northern boundary of the property.

The following improvements have been carried out by the Lessee since the tenancy was acquired on the 7<sup>th</sup> December 1990:-

- 1 The replacement of the original windows and french doors with double glazed upvc units.
- 2 The replacement of part of the fascia boards with matching upvc boards.
- 3 Replacement upvc guttering.

- 4 Timber fencing panels with cement gravel boards along the front and rear northern boundaries of the property.
- 5 The replacement of the bathroom suite with superior quality fittings, including bath, sink and w.c.

**Hearing:**

At the Hearing, the Lessee was represented by Mr. S.G. Langford MRICS of Messrs. Southwells of Rugeley. The Landlords were not represented.

The Hearing commenced with Mr. Langford introducing his case on behalf of the Lessee by submitting details of the property and the following valuation.

Ground Rent	:	£20	
Y.P. 65 years @ 7%	:	<u>14.11</u>	
			£282
Entirety Value	:	£114,000	
Site Value say 32%	:	£ 36,480	
Section 15 Rent @ 7%	:	£ 2,553	
Y.P. in perp. deferred 65 yrs. @ 7%	:	<u>0.17577</u>	
			<u>£448</u>
			<u>£730</u>

In support of his Entirety Value, Mr. Langford referred to three comparable detached houses which had been sold in the locality:-

- 1 **10 Canaway Walk** (adjoining the subject property) sold in August 2001 for the asking price of £99,950.
- 2 **14 Farm Close** sold in July 2002 for £119,950. Mr. Langford pointed out that this property was slightly larger in terms of floor area than the subject premises.
- 3 **29 Farm Close** sold in September 2002 for the asking price of £124,995 having been on the market for approximately one week. Copies of the sale particulars were tabled.

Mr. Langford pointed out that all three properties were three bedroom detached houses; all three were freehold; and with the exception of No.14 Farm Close, were effectively the same design as the subject property.

Taking into account the dates of the sales and the improvements carried out by the present Lessee to No.9 Canaway Walk, Mr. Langford had arrived at an Entirety Value of £116,000 from which he had deducted £2,000 in respect of the value of the tenant's improvements, thus resulting in a net Entirety Value of £114,000.

He also quoted previous Decisions of the Tribunal, M/EH2215-2217, involving similar properties in Averill Drive, Rugeley in May 2001 as authority for adopting a site value of 32% and a yield rate of 7%.

**Decision:**

Prior to the Hearing, written representations had been received from the Landlord contending that the Lessee's Notice of Claim was invalid, and enclosing a copy of the Notice in Reply to the Leaseholder's Claim stating a number of reasons for not admitting the Lessee's right to have the freehold of the premises.

The President of the Midland Leasehold Valuation Tribunal had considered these representations and determined that the matter should be heard at the Hearing scheduled for 29<sup>th</sup> October 2002.

The Hearing was therefore held on the basis that whilst the Tribunal had no jurisdiction to determine conclusively the issue of the validity of Mrs. Ainger's Notice to Enfranchise (only the Court could do that), it was considered that the question of valuation could be dealt with subject to and in anticipation of any formal proceeding before the Court as to the conclusive validity of the Notice of Claim.

On that basis, the Tribunal considered the valuation put forward by Mr. Langford and whilst accepting the general principles and methodology of his approach, considered that, based on the available evidence, the Entirety Value should be taken at £118,000 and the site value should be taken at one third of that figure.

Accordingly the Tribunal determined the price to be paid for the freehold interest as follows:-

**Term**

Ground Rent	:	£20 p.a.	
Y.P. in perpetuity @ 7% for 65 years :		<u>14.11</u>	£282

**Reversion**

Entirety Value	:	£118,000	
Site Value @ 1/3 <sup>rd</sup>	:	£ 39,333	
Secton 15 Rent @ 7%	:	£ 2,753	
Y.P. in perpetuity deferred 65 years @ 7% :		<u>0.17577</u>	
			<u>£484</u>
			<u>£766</u>



Nigel R. Thompson  
Chairman

19 NOV 2002