

485

**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/04/11
Property	16 Kelston Gardens Worle Weston-Super-Mare North Somerset
Applicant	Ms J.F.Marden
Date of Inspection and Decision	28 October 2004
Tribunal Members	Mr D.R.Hebblethwaite (Chairman) Mr J.S.McAllister FRICS Mr M.J.Ayres FRICS

Background

1. Retirement Care Limited ("RCL") holds Kelston Gardens 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 is unknown. The Applicant owns the Property by way of an underlease for a term of 70 years from 1 January 1987 at a rent of a peppercorn.
2. By an Order of the Weston-Super-Mare County Court dated 21 June 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 30 June 2004 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 had been dated 26 October 2003. This is the date at which the valuations must be fixed.

Inspection

4. The Tribunal inspected the Property in the presence of the Applicant and found it to be as described in the valuation of M.T.Ripley FRICS dated 25 October 2004 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 sold in October and December 2003 and referred to the fact that the Property was on a development limited to people aged 60 or over with warden access and emergency facilities, and concluded an entirety valuation for the Property of £100,000.00. He applied a percentage of 20% on the basis of the Property being "incapable of development on its own" etc. to calculate a site value of £20,000.00. He proposed a modern ground rent @ 7% = £1,400.00 per annum. He proposed an enfranchisement price, based on a deferment of 53.83 years, the unexpired term of the lease, of £524.02.
7. Mr Ripley made no reference to unpaid rent.

Decision

8. The Tribunal accepted Mr Ripley's valuation for the Property in the absence of any other valuation evidence. Accordingly the Tribunal determined the open market entirety value of the Property at £100,000.00.
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. However the Tribunal felt that 20% was too low a percentage for the site value as the factors by reference to which Mr Ripley justified this had already been taken in to account in the entirety value. Having regard to the size of the plot the Tribunal applied a percentage of 27.5% for the site value, to give a figure of £27,500.00. The Tribunal agreed that a modern ground rent should be calculated at 7% to give £1,925.00 per annum. With 53.83 years of the lease to run from the date of the Applicant's Notice the years' purchase multiplier of 0.3743 is correct and gives a resultant figure of £721.00.
10. The Tribunal therefore determined that the enfranchisement price to be paid into court is **£721.00**.
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 unpaid rent at the date of the court order to be **nil**.

12. The Tribunal did not consider a price for the underlease as this has not been referred to the Tribunal. The landlord under the underlease is known (ie RCL) and if there were a referral to the Tribunal RCL would be entitled to make representations. The Tribunal restricted its decision to the matters referred to it by the court order referred to in para. 2.

David Hohlbein Chairman

05/10/04 Date