

489

**Southern Rent Assessment Panel and  
Leasehold Valuation Tribunal**

**File Ref No:** CHI/00HC/OAF/2004/0016

**RE:** 39 Perrymead, Worle, Weston-super-Mare

**Applicant:** Mr C Czajkowski and M/s P Evans

**Leasehold Reform Act 1967, Section 9 and 27 (1) (A)**

**The Tribunal members were:**

Mr R L Sansbury (Chairman)

Mr P Smith

Mrs M Hodge

**Background.**

1. This was an application by Mr C Czajkowski and M/s P Evans of 39 Perrymead Worle, Weston super-Mare, Somerset under the Leasehold Reform Act 1967. The claim is for the enfranchisement of the title to the above property ("the property") in circumstances where the identity and whereabouts of the landlord is unknown.
2. The Applicants Notice of their claim to acquire the freehold interest was dated 1<sup>st</sup> May 2004.

**Facts.**

3. The Tribunal accepted the evidence contained in the Applicants statement also dated 1<sup>st</sup> May 2004 (supported by office copies of the entries at H M Land Registry Title No AV149053 and by letters from the Applicants Solicitors) to the effect that the Applicants title is registered with good leasehold title and is part of a much larger piece of land held for the residue of a term of 500 years created by a Lease dated 1 September 1557 which reserved a rent of £1.6.9d; that the Lease has been lost for many years, neither can any copy be found; that the existence and whereabouts of the landlords are unknown; that the Lease will expire on 31 August 2057.

**The Law**

4. By an Order of the Weston super-Mare County Court dated 21 June 2004 the Court (being satisfied that the Applicants has a right under Part I of the Leasehold Reform Act 1967 ("the Act") to acquire the freehold of the property) ordered that the Applicants be at liberty to lodge in Court the amount determined by the Leasehold Valuation Tribunal as the value of the freehold interest ("the enfranchisement price")
5. The only question for the Tribunal was therefore the correct valuation in the light of the Act and the decided case law. The Tribunal concluded that this was a proper case for valuation under section 9 of the Act.

## Valuation Evidence

6. The applicant had lodged a Valuation ("Mr Ripleys Valuation") stated 11 October 2004 by Mr M T Ripley FRICS indicating an enfranchisement price of £685 based on an estimated site value of £21,250 being 25% of the entirety value said to reflect the split nature of the site and the fact that this property cannot be constructed independently and other factors making it more difficult to develop.

This was calculated from an open market value of £85,000. In support Mr Ripley supplied details of the purchase price of the property in 2001 and sales of other properties said to be comparable in 2002. He then adjusted the figures by reference to the Inflation Index published by the Nationwide Building Society.

## Inspection

7. The Tribunal inspected the property in the presence of Mr Czajkewski and found it to be a one-bedroomed corner property as quite fully described in Mr Ripley's Valuation. It noted that the property is small, with the stairs off the living room, that the kitchen in particular is tiny and has no back door because there is no adjacent back garden.

## Decision

8. The Tribunal carefully considered the valuation evidence in the light of its own inspection. It noted that Mr Ripley had not supplied much in the way of detail about the comparable properties or indicated whether they were freehold or leasehold.

The Tribunal in any event preferred to rely on its own experience and knowledge of the market (rather than the Nationwide Building Society Index) and determined that the open market entirety value of the property was £94,000.

9. Applying the evidence in earlier caselaw (referred to on page 2 of Mr Ripleys Valuation) the Tribunal adopted the "standing house" valuation approach. However, whilst accepting Mr Ripley's reasoning for a lower site value percentage than usual, it decided that the appropriate figure was 27.5%. On that basis the site value is £25,850.

The Tribunal agreed with Mr Ripley that a modern ground rent should be at 7% which (applying that figure to the site value) produces a capitalised figure for the modern ground rent of £1809.50. Since at the date of the Applicants Notice the Lease had 53.33 years still to run, the deferment at 7% is at the figure of 0.3916 suggested by Mr Ripley.

The result is an enfranchisement price of £709

10. The Tribunal therefore determined that the enfranchisement price to be paid into Court is £709 (Seven hundred and nine pounds).

Dated

5 December 2004.

Signed

Ray S. Lumbly (Chairman)