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BIR/00CN/OAF/2004/0193

**MIDLAND RENT ASSESSMENT PANEL**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN  
APPLICATION UNDER S21(1)(a) OF THE  
LEASEHOLD REFORM ACT 1967**

**Premises: 39 Highmore Drive, Bartley Green, Birmingham B32 3JY**

Applicants: Mr G E and Ms L E Deeks (tenants)

Respondent: Marymar Investments Limited (landlord)

Date of tenant's notice: 22 January 2004

RV on the appropriate day: Under £500

Application dated: 30 July 2004

Heard at: Birmingham

On: 11 October 2004

Appearance:

Mr A W Brunt of Anthony Brunt & Co, valuers, for the tenants

No appearance for the landlord

Members of the leasehold valuation tribunal:

Lady Wilson  
Mr S Berg FRICS  
Mrs C L Smith

Date of the tribunal's decision:

8 November 2004

## **Background**

1. This is an application to determine the price to be paid for the freehold of 39 Highmore Drive, Bartley Green, Birmingham. The property is held by the tenants, Mr Edwards and Ms Deeks, on a lease for a term of 99 years from 25 March 1962 at a ground rent of £18 per annum, fixed throughout the term. Approximately 57 years remained unexpired on the valuation date, which is 22 January 2004, the date of the tenants' notice of claim. The rateable value of the property is such that the valuation falls to be made in accordance with section 9(1) of the Leasehold Reform Act 1967.

2. The tribunal inspected the property on 11 October 2004, before the hearing, in the presence of Ms Deeks. It is a two storey semi-detached house built in the 1960s, of brick and interlocking tile construction, on a development of similar houses. The house is centrally heated and double glazed and has a living room, three bedrooms, a kitchen, bathroom/ wc and a garage.

## **The hearing**

3. At the hearing the tenants were represented by Mr A W Brunt of Anthony Brunt & Co, valuers. The landlord was not represented at the hearing but Mr D W S Fell, a director of the landlord company, had submitted written representations which we considered.

4. Both Mr Brunt and Mr Fell had adopted an entirety value of £135,000 and we accept that figure as realistic. The issues were thus the proportion of the entirety value to be adopted as the site value, and yield.

**i. Site value proportion**

5. Mr Brunt proposed a third as the appropriate site value proportion. He said that the width of the plot was about 6 metres, which was relatively narrow and offered limited scope, and that Bartley Green was not a particularly highly regarded location. One third was, he said, realistic and in line with leasehold valuation tribunal decisions in similar cases.

6. Mr Fell appeared from his calculations to have adopted a site proportion of 35% but did not advance any arguments to support it.

7. We are satisfied that 33.33% is the appropriate site proportion for the reasons advanced by Mr Brunt.

**ii. Yield**

8. Mr Brunt adopted a yield rate of 7% to decapitalise the site for the purpose of arriving at the section 15 rent and to capitalise the ground rent payable under the lease. He said that this was the rate almost invariably adopted for this purpose by the tribunals of the Midland Rent Assessment Panel and supported by the Lands Tribunal where the existing lease exceeded 30 years in length.

9. Mr Fell applied a yield of 6.5%. He said that interest rates had risen within the last 12 months by 1.25% but he did not indicate the effect of this increase upon the appropriate yield rate. We observe that his calculation of a price of £2879.63 on the basis of this yield appears to be incorrect, and that on the basis of his assumptions of an entirety value of £135,000, a site value proportion of 35% and a yield of 6.5%, the price for the freehold would be £1573.89.