

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

**Decision on an application under Sections 21 (1) (a) and Section 21 (1)
(ba) for determination of the Leasehold Reform Act 1967 for the price
payable for a house under Section 9 of the 1967 Act and the amount of
any costs payable under
Section 9 (4)**

Applicant: Mr RJ and Mrs CA Bradley

Respondent: Mansal Securities Limited

Property: 224 Station Road
Wythall
Birmingham
B47 6ES

**Date of Notice Exercising the Right to
Acquire the Freehold:**

Appearances: For the applicant - Mr A Brunt FRICS
For the respondent - not represented

**Members of the Leasehold Valuation
Tribunal:** Miss T N Jackson BA Law (Hons) Chair
Mr M Williams FRICS
Mr D Underhill

Date of Determination:

Background

This is a decision on an application under Section 21 (1) (a) of Leasehold Reform Act 1967 for the determination of the price payable under Section 9 of the 1967 Act for the freehold interest in the subject property. There is a further application under Section 21 (1) (ba) of the 1967 Act for determination of the amount of any costs payable under Section 9 (4) of the 1967 Act.

The subject property is held under a lease dated 9 July 1975 for a term of 99 years from 25 December 1971 at an annual ground rent of £50 per annum. The applicant gave notice of tenants claim to acquire the freehold on 9 September 2004. As at the relevant date, the lease had an unexpired term of 66 $\frac{1}{4}$ years.

4.5 Mr Brunt accepted that the comparable of 218 Station Road had been extended. However, he considered that the subject property had a standing value of £250,000 to reflect that it was not extended but that it was a corner plot which in his opinion led to a higher value.

4.6 In relation to costs, Mr Brunt submitted that the applicant had not heard from the freeholder or a valuer. The tenant had no knowledge of any valuation having been carried out and therefore he submitted that no valuation fee was payable. In respect of legal fees, although his experience was that legal fees had been increasing over the last year, there was still strong competition for conveyancing work and he was aware that on a transfer of registered title, a figure of £250 plus VAT and disbursements was being charged.

5. Tribunals Determination

5.1 The Tribunal gave full consideration to the evidence and submissions on behalf of the parties. Using its general knowledge and experience (but no special knowledge) of property prices in the locality of the subject property, and taking into account the positive and negative features of the subject property with all other relevant factors and considerations, the Tribunal determines the standing house value of the subject property at the relevant date was £250,000. The Tribunal determines the site apportionment figure and yield rate to be 35% and 7% respectively.

5.2 Adopting the figures in relation to the entirety value and the respective percentage yield rates, and applying figures of years purchase from Parry's Valuation Tables, the Tribunal calculates the price payable as follows:

(i) Capitalisation of Existing Ground Rent

Ground rent payable	£50 per annum
Years purchase: 66 ¼ years at 7%	<u>14.1241</u>
	£706.21

(ii) Reversion

Standing house value of the subject property	£250,000
Percentage attributable to site at 35%	£87,500
Section 15 modern ground rent at 7%	£6125
Years purchase at 7% in perpetuity deferred 66 ¼ years	0.1616
Capitalised modern ground rent: [£6125 x 0.1616]	£989.80
TOTAL	£1696.01

(say £1696)