

RESIDENTIAL PROPERTY TRIBUNAL SERVICE  
Southern Rent Panel & Leasehold Valuation Tribunal  
Leasehold Reform Act 1967 - Section 21 (1) (A)

Reference No: CHI/OOMS/OAF/2004/0005

Property: 45 NORFOLK ROAD  
SHIRLEY, SOUTHAMPTON, HANTS

Applicants: MR & MRS R J MACKENZIE

Respondents: F ASENJO & M ASENJO  
(Address unknown)

Date of Hearing: 20th DECEMBER 2004

Date of Decision: 20th DECEMBER 2004

Date of Reasons: 27th JANUARY 2005

Members of the Tribunal: Mr D M Nesbit JP FRICS FCI Arb  
Mr P D Turner-Powell FRICS  
Mrs C Newman JP

Southern Rent Assessment Panel  
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1 Market Avenue  
Chichester  
West Sussex PO19 1JU

Telephone: 01243 779394

RE: 45 NORFOLK ROAD, SHIRLEY, SOUTHAMPTON, HAMPSHIRE

Introduction

1. This matter is before the Tribunal following an Order dated 11th March 2004 by the High Court Chancery Division, referring an application for the determination of the purchase of the freehold, the whereabouts of the current owners being unknown.
2. The Tribunal issued Directions dated 25th October 2004. The Applicants had provided documents, including a copy of the lease of the property, Land Registry information and a valuation.

Inspection

3. By prior agreement with the Applicants in occupation, the Tribunal made an internal inspection of the premises noting the location, age, condition and state of repair of the property. The Committee were accompanied by Mrs R J MacKenzie, together with representatives from the Applicants' solicitors.
4. At the request of the Tribunal, Mrs MacKenzie indicated various alterations, improvements and replacements that had been undertaken following their purchase of the property.
5. The property comprises a two storey semi-detached house in a convenient and established residential area of Southampton, of traditional brick and rendered construction with a tiled roof, and with a bay and garden forecourt front elevation. The ground floor accommodation comprised hall, lounge, extended kitchen, rear dining room and conservatory. On the first floor there was a front bedroom, a shower room with WC, two further bedrooms, and a separate bathroom and WC. There were small front and rear gardens, there was no garage or parking space. There was unrestricted street parking.

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### Hearing

6. The Applicants were represented by Mr N Turpin F.Inst. L.Ex, accompanied by Miss K Barker (Bond Pearce, solicitors, Southampton). The Applicants were not present. There were no appearances on behalf of the Respondents.
7. Following introductions, the Tribunal outlined the purpose of the Hearing and confirmed with Mr Turpin the relevant documents for consideration.
8. The matter for determination was the price for the freehold interest of the property in accordance with Section 27, the Leasehold Reform Act 1967.
9. Mr Turpin confirmed that the freeholders/landlords could not be traced, and stated due to an earlier conveyancing error, it was apparent that the freehold interest had not been effectively transferred.
10. Mr Turpin confirmed that the purchase price was that proposed in the valuation report prepared by Mr Geoffrey Bevans FRICS, a copy of which had been provided to the Tribunal. Mr Bevans was not present.
11. The proposed purchase price was £100, and there were no conveyancing matters to be determined by the Tribunal.
12. In answer to questions from the Tribunal, Mr Turpin confirmed that calculations would be necessary for outstanding ground rents.

### Consideration

13. The Tribunal reviewed their case papers, inspection notes and the representations made at the Hearing. The Tribunal considered the lease dated 10th May 1906, granted for a term of 999 years from 25th December 1904. The first 15 months were at a peppercorn rent, and for the remainder of the term the yearly rent was £3.17.6d (£3.875).

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14. The Tribunal reviewed the formal report and valuation prepared by Mr G Bevans FRICS dated 7th October 2004.
15. Although not present at the Hearing, and therefore not available for questioning and examination, Mr Bevans is known to the Tribunal as an experienced surveyor, and a specialist valuer for leasehold valuations in accordance with the Leasehold Reform Act 1967.
16. The Tribunal noted the approach to the valuation adopted by Mr Bevans, which had regard to the length of the unexpired lease term of approximately 899 years, and which discounted any assumption that the lease would be extended by a term of 50 years at a modern ground rent. Mr Bevans, therefore, valued the freehold on the basis of the right to receive an income of £3.875 per annum, without increase for the remainder of the term.
17. After considering evidence of prices paid at auction for ground rent investments, he adopted a 5% yield being 20 years purchase to produce a capital value of only £77.50.
18. Mr Bevans considered that whilst any bid from the tenant was to be disregarded, the amount was so small that there may be potential purchasers who would buy the investment for ownership or "nuisance" value. Accordingly, he assessed the price payable under the Act at £100.
19. The Tribunal followed the basis of Mr Bevans' valuation and reviewed his conclusions. Although noting the valuation report did not include the usual Statement of Truth, the Tribunal concluded that Mr Bevans' opinions and conclusions were appropriate and would be accepted.
20. In connection with the ground rent outstanding, the Tribunal undertook their calculations and calculated to the date of Hearing. An additional amount would become payable calculated to the date of the final conveyance.

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Ground rent calculations:-

Period 5th January 1994 to 21st December 2004 (being the Hearing Date)

5.1.94 to 24.3.94

73 days @ 0.017 per day                      £ 1.24

25.3.94 to 28.9.2004

10½ yrs @ £3.875 p.a.                      £40.69

29.9.04 to 20.12.2004

52 days @ 0.017 per day                      £ 0.88

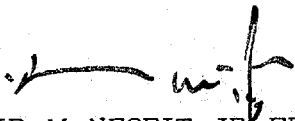
TOTAL (to Hearing date)                      £42.81

Determination

21. The Tribunal determined -

- i) that the price payable in accordance with the provisions of the Act shall be £100
- ii) ground rent payments be paid into Court up to the Transfer date in accordance with the calculation as noted
- iii) a conveyance be concluded transferring the freehold interest to the joint Applicants.

22. There being no attendance or representations on behalf of the Respondents, there are no additional costs that may be payable by the Applicants in accordance with the provisions of the Act.



DAVID M NESBIT JP FRICS  
Chairman