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RESIDENTIAL PROPERTY TRIBUNAL SERVICES

LEASHOLD VALUATION TRIBUNAL FOR THE EASTERN RENT ASSESSMENT COMMITTEE

CASE NUMBER: CAM/22UE/OAD/2004/0008

LEASEHOLD REFORM ACT 1967 ("The Act") AS AMENDED BY THE COMMONHOLD AND LEASEHOLD REFORM ACT 2002

IN THE MATTER OF 4 MONTACUTE ROAD BUSHEY HEATH HERTFORDSHIRE WD23 1PJ

Parties	:	**Mrs W E M Barriff**	**Applicant**
Represented by	:	**Messrs Pitman's Solicitors**	
		Matthew Arnold and Baldwin Solicitors	**Appointed Reversioner**
Tribunal Members	:	**Mr A A Dutton (Chair)** **Miss M Krisko BSc(EST MAN) FRICS** **Mr J Dinwiddy FRICS**	
Hearing Date	:	**12 May 2005**	
Decision Date	:	**20th May 2005**	

DECISION

A. BACKGROUND:

1. On the 15 July 2004 in the Watford County Court an Order was made providing for the Leasehold Valuation Tribunal to provide a valuation for the subject premises at 4 Montacute Road, Bushey Heath, Watford, Hertfordshire WD23 1PJ pursuant to the Leasehold Reform Act 1967. The Order was subsequently amended on the 8 September 2004 when an attempt to appoint the Official Solicitor as Reversioner was made which was subsequently amended by an Order dated the 20 September appointing Matthew Arnold and Baldwin to act as Reversioners.

2. Mrs Barriff, the Applicant, is the Registered Proprietor under title number HD21692 of the leasehold interest in the subject premises held under the terms of a lease of 499 years, less 10 days, from 25 March 1614, which said leasehold interest had been granted out of a head lease in the term of 499 years from 25 March 1614 at an annual ground rent of four-old-pence, the parties being Sir Edward Carey of the one part and William Huddell of the second part. This lease became vested in New Ideal Homestead Limited on 25 July 1957 but the freehold owner of the property is unknown hence the application to the Watford County Court.

B. INSPECTION:

3. We inspected the subject premises on the 12 May 2005. Number 4 Montacute Road is the left-hand property of a pair of semi-detached bungalows when looking at same from the road. The bungalow comprises two-bedrooms, a bathroom with a full suite, a kitchen/diner and a living room. There was a garage and a pleasant well tended gardens to the front and to the rear, the rear garden being of good proportion. There was some potential development possibly by way of a rear extension as had been carried out next door at number 2 and we noted that some loft conversion had taken place to neighbouring properties.

C. EVIDENCE:

4. The evidence before the Tribunal consisted of a valuation by Mr D M Evans of Bevan Hollis Associates on behalf of the Applicant and a report from Mr John Whiteman FRICS of John Whiteman and Company, dated 25 February 2005. Both reports described the subject premises and both appeared to give consideration to the affect of any improvements undertaken to the subject premises. Both appeared to confirm they had adopted the "standing house" approach for valuation pursuant to s9(1) of the Leasehold Reform Act 1967. Mr Evans had assessed a price payable for the acquisition of the freehold at £100.00 and Mr Whiteman at a figure of £150.00. Mr Whiteman indicated that he had applied a 40% figure as the site value whereas it would appear that Mr Bevan had gone for a slightly higher percentage figure to achieve his final sum of £100.00.

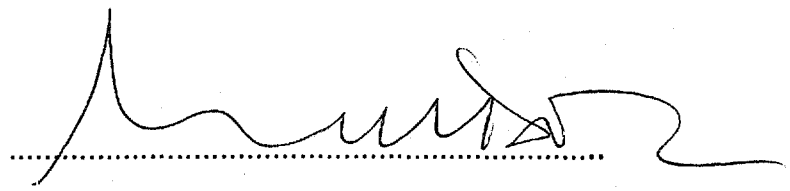
D. DECISION:

5. Both valuers appeared to accept that the rateable value of the subject premises at the appropriate time would be such that a valuation pursuant to s9(1) of the Act would be appropriate. Section 9(1) provides that the amount payable for the purchase price shall be *"the amount which at the relevant time the house and premises if sold in the open market by a willing seller (with a tenant and members of his family not buying or seeking to buy) might be expected to realise on the following assumptions....."* such assumptions set out at paragraph 9.(1)(a)(b(c). The question of improvements does not arise. It is we believe accepted by both valuers that the standing house approach is the correct method of determining the freehold value.

6. Our knowledge and experience of the value of subject premises of this nature in the locality leads us to believe that the value of the property would be in the region of £360,000.00. We consider that the appropriate site value should be assessed at 45% of the value of the freehold house given the locality of the subject premises. The value of the ground rent is a nominal sum of 4d per annum and was not therefore thought necessary to be taken into account by us in assessing the value of the freehold. Applying the 7% capitalisation rate, which appears to be accepted by the valuers to the site value, as is shown on the

attached valuation, leads to a purchase price of £102.00. That is the figure that we determine is the price payable for the freehold in respect of the subject premises.

7. The terms of transfer are approved as set out in the bundle subject only to the amendments made by Messrs Matthew Arnold Baldwin in their letter of 1 March 2005 which we approve. Obviously the purchase price needs to be inserted.



Chairman

20th May 2005

Dated

SCHEDULE

4 Montacute Road Bushey Heath Hertfordshire WE 23 1PJ

Leasehold Valuation Tribunal's Valuation as at 15 July 2004

Remaining term say 109 years

Value of each freehold house			£360,000.00	
Site Value at		45%	£162,000.00	
Value of Ground rent		1.62 p.a. nominal	Nil	
Value of Reversion to Modern Ground Rent				
	£162,000	@ 7%	£ 11,340.00	
YP in perp @ 7%			14.2857	
PV £ deferred 100 years @ 7%	0.001153			
PV £ deferred 9 years @ 7%	0.5439	0.0006269	01008955	£ 102

Total price payable for the freehold interest is £102