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BIR/OOCN/OAF/2005/0024

Decision

**of the Leasehold Valuation Tribunal
in respect of an application for:**

**a determination of the price payable upon enfranchisement under
Section 9 of the Leasehold reform act 1967 ('the Act')**

**Property: 189 Jiggins Lane, Bartley Green,
Birmingham,
West Midlands B32 3EP**

**Thomas Robert Reginald Ellis and Lynn Gloria Ellis
(Applicants)**

and

**Person Unkown
(Respondent)**

DETERMINED:

**That the price to be payable by the Applicant for the freehold of the Property under
Section 9 (1) of the Act is £1,275.00**

Date of Decision: 23rd May 2005

REASONS FOR THE TRIBUNAL'S DECISION

BACKGROUND

1. On a date in June 2004 the Applicants applied to Birmingham County Court under Section 27 of the Act for an Order leading to the vesting of the freehold of the Property in the Applicants as the Landlord could not be traced.
2. On 6th October 2004 Birmingham County Court ordered that, in the events which have happened, the Leasehold Valuation Tribunal determine the price payable and appropriate rent in respect of the Property.
3. On 20th January 2005 the Applicants applied to the Leasehold Valuation Tribunal for the price to be determined in accordance with Section 9 of the Act.
4. The Property is held by the Applicants under a lease dated 23rd September 1964 and made between Stevens and Cole limited (1) and Daniel Alfred George Cox (2) whereby the house and premises now known as 189 Jiggins Road, Bartley Green, Birmingham B32 3EP were demised to the said Daniel Alfred George Cox for the term of 99 years from 24th June 1964.

WRITTEN SUBMISSIONS

There were no written submissions other than a copy of the order and other court papers which include a summary of the Applicants' case as given at the hearing.

INSPECTION

1. The Tribunal inspected the Property on 23rd May 2005 in the presence of Mr. Ellis.

The Property consists of a semi-detached house situated on a service road parallel to a main thoroughfare in the Bartley Green district of Birmingham. It has an integral garage and has been extended on the ground floor. There is now a large lounge/dining room with a patio door and a good sized fitted kitchen on the ground floor. There are three good

sized bedrooms and a bathroom on the first floor. The garden is of small to medium size. It is in good condition both internally and externally and the site is fully developed.

HEARING

1. Mr. Moore of Midlands Valuations Limited represented the Applicants. His case was that the valuation method which should be adopted as that accepted in Farr v Millerson Investments Ltd. (1971) 22 P&CR 1055, namely the capitalisation of the ground rent for the unexpired term and the capitalisation of the modern ground rent as if in perpetuity but deferred for the length of the unexpired term. To derive the modern ground rent the 'standing house' method should be adopted.

2. Mr. Moore suggested that the value of the entirety of the Property is £130,000. He said that there were not many decent comparables on the 'Ambleside' or 'Pinewood Vista' estates, but he was aware of 7 and 9 Hunnington Close which are end terraced and therefore semi-detached in nature and which sold for £125,000 leasehold in May 2004. He therefore felt £130,000 was appropriate for the Property.

3. Mr. Moore thought that the appropriate site apportionment is 33% and that the yield rates for both the capitalisation of the ground rent and the modern ground rent should be 7%. Using these figures the resulting freehold price is £1,143.00

DETERMINATION OF THE PRICE

The Tribunal find that the price to be payable for the freehold falls to be determined under Section 9 (1) of the Act and that the valuation date is the date of the application to court. Although they are not provided with the exact date they determine that the month of June 2004 is sufficiently accurate for their purpose. They agree with Mr. Moore that the proper basis for the determination of the price is to:

(a) value the ground rent (£25.00 p. a.) for the unexpired term (59 years) applying a rate of 7%. Parry's Valuation tables provide a multiplier of 14.022.

The capitalised value of the ground rent for the unexpired term is thus £350.55.

(b) Ascertain a modern ground rent under Section 15 of the Act by valuing the entirety of the Property (i.e. assuming it is freehold), apportioning the entirety between the site and the building and calculating the rent at 7% of the site value.

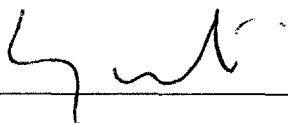
The valuation the entirety is made on the assumption that the Property is in good condition and that the site is fully developed. In this case the site is fully developed and the Property is in good condition. Having inspected the Property and also visited the surrounding area the Tribunal do not agree that the Hunnington Close properties referred to by Mr. Moore are directly comparable. Although these are end terraced the Tribunal find that the Property is superior in that it is a true semi-detached house, has a wider frontage and also is in a better position on the main road. The Tribunal also felt that nearby electricity pylons and overhead cables and the proximity of a council estate affected the Ambleside houses more than the Property. In all the circumstances, having listened to the evidence of Mr. Moore but using their knowledge and experience (but not any special or secret knowledge) they determined that the entirety value of the Property is £150,000.00.

The Tribunal agree that the appropriate site apportionment is 33%, or £50,000.00. The modern ground rent is calculated at 7% giving a figure of £3500.00 per annum.

(c) Value the modern ground rent in perpetuity but deferred for the unexpired term of the Lease (59 years) at 7%. Parry's Valuation Tables provide a multiplier of 0.26379. The capitalised value of the modern ground rent in perpetuity but deferred for 59 years is thus £923.26.

The value of the existing ground rent (£350.55) is added to the value of the modern ground rent (£923.26) giving a total of £1273.81 which the Tribunal round to £1275.00.

Signed _____



(W. J. Martin – Chairman)

Dated 17 June 2005

Members of the tribunal:

**W. J. Martin
I. D. Humphries F.R.I.C.S.
D. Underhill**