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BIR/OOGL/OAF/2005/0070

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: **8 Pittshill Bank,
Stoke-on-Trent,
Staffordshire, ST6 6LT**

John Thomas Stanyer and Iris Stanyer
(Applicants)

and

Person Unkown
(Respondent)

DETERMINED:

**That the price to be payable by the Applicant for the freehold under Section 9 (1) of
the Act is £1,719.00**

Date of Decision: **01 JUN 2005**

REASONS FOR THE TRIBUNAL'S DECISION

BACKGROUND

1. On the 25th January 2005 Stoke on Trent County Court ordered that the Applicants, by advertisement in the Sentinel newspaper, give notice of the proceedings of the Applicants in the Court to any person who may be the owner of the freehold property known as 8 Pittshill Bank, Tunstall, Stoke on Trent ST6 6LT ('the Property') and that such advertisement should require any such person to provide written details of their interest in the Property to the Applicants' solicitors, Grindleys of 5/6 Brook Street Stoke on Trent ST4 1JN by the 22nd February 2005. It was further ordered that if no person should give notice to Grindleys by such date, the question of the price payable in accordance with Section 9 of the Act should be referred to a Leasehold Valuation Tribunal.

2. No person having contacted Grindleys by the 22nd February 2005, Grindleys applied to the Leasehold Valuation Tribunal for the price payable by the Applicants under section 9 of the Act to be determined.

3. The entitlement of the Applicants to enfranchisement arises as follows:

(a) By a Lease ('the Lease') dated the 24th June 1834 and made between Ralph Sneyd (1) and William Colclough (2) All That cottage dwellinghouse or tenement situate at Pittshill Together with the garden thereto adjoining and belonging and containing (exclusive of the site of the dwellinghouse), 1087 square yards or thereabouts was demised to the said William Colclough for the term of 200 years from the 25th March 1834 at a yearly rent of one shilling.

(b) By an Assignment dated the 9th October 1922 and made between William Cartlich Colclough (1) and John Colclough (2) the Property (being part of the property comprised with the Lease) was assigned to the said John Colclough for all of the unexpired residue of the term created by the Lease subject to the payment of the yearly rent of two pence being part of yearly rent of one shilling reserved by the Lease

(c) By an Assignment dated the 10th December 1956 and made between Norman Rhodes (1) the Applicants (2) the Property was assigned to the Applicants for all the residue of the term created by the Lease subject to the yearly rent of two pence.

4. From the information provided in the application to them the Tribunal are satisfied that the basis for their valuation is under Section 9(1) of the Act.

WRITTEN SUBMISSIONS

1. Messrs Grindleys provided a hearing bundle for the use of the Tribunal. Other than that there were no written submissions.
2. Within the hearing bundle there was evidence in the form of a witness statement made by Timothy John Wooley, Associate solicitor with Grindleys, that in April 2004 a sale had been negotiated of the property at £38,400 but that this sale had fallen through because of the short term remaining under the Lease and the fact that the freeholder could not be found. The bundle also refers to a recently negotiated sale, but there is no confirmation of the purchase price, although it is believed to be £34,000. Other than this there is no valuation evidence. The Tribunal record that they would have found a valuation report from a local chartered surveyor of much greater assistance.

INSPECTION

1. The Tribunal inspected the property on the 10th May 2005 in the presence of a friend of the Applicants, as unfortunately neither were well enough to attend.

The Property consists of a two bedroomed cottage which is approached from a private footpath which runs at right angles from a narrow unmade road. The house is in need of modernisation and repair, but because of its semi-rural location could, in the opinion of the Tribunal be converted into a pleasant cottage property. There is a garden to the front which is situated beyond the approach path, and a larger garden at the rear, which slopes downwards from the property. The frontage of the property was measured at 3.91 metres and the total site area is 130.5 square metres.

- 2 Internally the Property comprises a through lounge, kitchen and shower room with w.c. There are two gas fires in the through lounge. Upstairs there are two good sized bedrooms with gas heaters

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 proper basis for such determination is to:

- (a) value the ground rent (1p) for the unexpired term (29 years 4m) at 7%.

They find this to be NIL

(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.

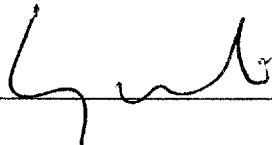
The valuation the entirety is to be made on the assumption that the property is in good condition and that the site is fully developed. In this case the site is clearly fully developed, but the property is not in good condition. The only assistance the Committee have from the Applicants' submission is the reported sale at £34,000. They are not satisfied this sale is a true arms length sale, and in any case have to make adjustments to take account of the repairs and renovations required. In the absence of any persuasive evidence, such as might have been provided by a local qualified surveyor, they determined the value of the entirety at £50,000 using their own knowledge and experience as an expert tribunal, but not any special or secret knowledge.

The Tribunal find that the appropriate site apportionment is 25%, or £12,500. The modern ground rent is calculated at 7% giving a figure of £825 per annum.

(c) value the modern ground rent in perpetuity but deferred for the unexpired term of the Lease (29 years 4 months) at 7 %. This produces a figure of £1718.71 which the Tribunal round to £1719.00

The value of the existing ground rent would normally be added to the modern ground rent but as the figure for the existing ground rent is nil the Tribunal determine the price payable under Section 9 (1) of the Act as £1719.00.

Signed _____



(W. J. Martin – Chairman)

Dated **101 JUN 2005**

Members of the tribunal:

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