

SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD REFORM ACT 1967 SECTION 9
ENFRANCHISEMENT OF LEASE
DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ("LVT")

Case No. CHI/00HC/OAF/05/24

Property 29 Kelston Road
Worle
Weston-Super-Mare
North Somerset

Applicant Mr & Mrs A.J.Shepherd

Date of Inspection and Decision 14 February 2005

Tribunal Members Mr D.R.Hebblethwaite (Chairman)
Mr P.E.Smith FRICS

Background

1. The Applicant owns the Property on the basis of a leasehold title held for the residue of a term of 500 years created by a lease dated 1 September 1557 at a rent of £1.6s.9d. Hundreds of titles in Worle derive from this lease which is lost and the identity of the freeholder is unknown.
2. By an Order of the Weston-Super-Mare County Court dated 17 November 2004 it was ordered (inter alia) that pursuant to Section 27(5) of the Leasehold Reform Act 1967 the Applicant pay into court such sum as is directed by the LVT as the price payable for the Property and the amount of rent estimated by the LVT as unpaid at the date of the Order.
3. On 24 November 2004 the Applicant referred the court order to the LVT for these valuations to be carried out under Section 9. The Applicant's Notice of Claim was not copied with the Tribunal's papers but the Tribunal assumes it was shortly before the court order and takes that as the date at which the valuations must be fixed.

Inspection

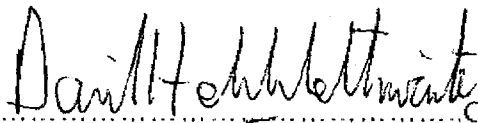
4. The Tribunal inspected the Property in the presence of Mrs Shepherd and found it to be as described in the valuation of M.T.Ripley FRICS dated 22 December 2004 and submitted on behalf of the Applicant.
5. The Applicant did not request a hearing.

Evidence

6. The Applicant relied on the "standing house" valuation of Mr Ripley referred to in para.4. He referred to two comparable properties, in one case the decision of the LVT for the next door property 31 Kelston Road on 28 October 2004, and concluded an entirety valuation for the Property of £135,000.00. He applied a percentage of 30 to calculate a site value of £40,500.00. He proposed a modern ground rent @ 7% = £2,835.00 per annum. He proposed an enfranchisement price, based on a deferment of 52.75 years, the unexpired term of the lease, of £1,141.94.
7. Mr Ripley considered that there should be no contribution to the existing ground rent on the basis that the proportion attributable to the site was negligible.
8. The Tribunal ascertained that the next door property 31 Kelston Road had been sold, completing two weeks earlier, for £153,000.00. The Tribunal's decision last October for this property was £135,000.00 as at 12 March 2004 the date of the applicant's notice. Your Move have sold 39 Kelston Road for £146,000.00 subject to contract.

Decision

9. The Tribunal believes that the subject property has a smaller plot than the comparables. Taking everything into consideration the Tribunal determined the open market entirety value of the Property at £140,000.00.
10. Applying the guidance in earlier case law, some of which was referred to at page 2 of Mr Ripley's valuation, the Tribunal adopted the "standing house" valuation approach. The Tribunal felt that 30% was the appropriate percentage for the site value, to give a figure of £42,000.00. The Tribunal agreed that a modern ground rent should be calculated at 7% to give £2,940.00 per annum. With 52.75 years of the lease to run from the date of the Applicant's Notice the years' purchase multiplier of 0.4028 is correct and gives a resultant figure of £1,184.23.
11. The Tribunal therefore determined that the enfranchisement price to be paid into court is **£1,184.23**.
12. The original rent is about 8p in present currency but this would have to be divided between the number of individual houses on the demised premises which runs into hundreds and possibly thousands. The rent for the Property is therefore an infinitesimal fraction of a penny. The Tribunal therefore estimated the amount of unpaid rent at the date of the court order to be nil.


.....Chairman

10 March 2005
.....Date