

**SOUTHERN RENT ASSESSMENT PANEL**

**LEASEHOLD VALUATION TRIBUNAL**

CHI/00HP/OAF/2007/0026

Decision of the Leasehold Valuation Tribunal on application under Sections 21 and 27 of the Leasehold Reform Act 1967

Applicant(s):	Brian Norman Plumley, Meriel Joyce Plumley & Michael Brian Plumley
Respondent(s):	Unknown
Re:	4 St Joseph's Court, 7/9 Balmoral Road, Parkstone, Poole
Date of Application	9 <sup>th</sup> October 2007 Court Order
Date of Inspection	10 <sup>th</sup> January 2008
Date of Hearing	10 <sup>th</sup> January 2008
Venue	The Lighthouse, Kingland Road, Poole
Appearances for Applicant(s)	Mr Widdowson – solicitor J P G Smith FRICS – valuer
Appearances for Respondent(s)	None

Members of the Leasehold Valuation Tribunal

M J Greenleaves  
A Mellery-Pratt FRICS

Lawyer Chairman  
Valuer Member

Date of Tribunal's Decision: 14<sup>th</sup> January 2008

## Decision

The sum payable under Section 27(5) of the Leasehold Reform Act 1967 is the sum of £436 calculated as follows:-

Ground rent		28.35	
YP In perpetuity @ 6.5%		x15.38	
		436.02	
		but say	436
Value of house	325,000		
Site value @ 40%	130,000		
Modern ground rent	7% x 130,000	9,100	
YP for 50 years deferred 879 years @7%		0	
Value of modern ground rent			0
Reversion to Site Value		130,000	
Present Value £1 929 years @ 7%		0	
Value of capital reversion			0
		Total payable	£436

## Reasons

1. On 13<sup>th</sup> September 2007 Brian Norman Plumley, Meriel Joyce Plumley & Michael Brian Plumley (the Applicants) had applied to the Poole County Court for an Order under Section 27 of the Leasehold Reform Act 1967 (the Act) vesting in them the freehold of Premises known as 4 St Joseph's Court, 7/9 Balmoral Road, Parkstone, Poole (the Premises) in respect of which their leasehold title was registered at HM Land Registry under Title Number DT 298797.
2. On 9<sup>th</sup> October 2007 the Court found it was satisfied that the Applicants had a right to acquire the freehold of the Premises under the Act and ordered the case to be transferred to the Leasehold Valuation Tribunal to determine the valuation of the freehold title.

## Inspection

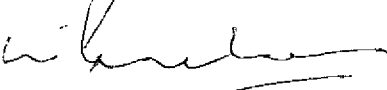
3. The Tribunal inspected the Premises on 11<sup>th</sup> January 2008 in the presence of the tenant of the Applicants.
4. The Premises are situated off Balmoral Road, Parkstone in a residential area. It forms part of a development of 5 houses and is set back from the road from which access is gained by a driveway.
5. The house was built in 2004. It is detached and comprises a living room, kitchen, utility space, three bedrooms, shower, bathroom and WC. There is a garage through which access is obtained to a small rear garden.

## Hearing

6. The hearing was attended by Mr Widdowson and Mr Smith. Mr Smith had written a letter of advice on 7<sup>th</sup> November 2007. He had taken the area of land occupied by the Premises as 9% of the entire land demised by the leases (referred to below). The total ground rents were £28.35 per annum so he apportioned the amount attributable to the Premises as £2.50. He valued the house at £325,000 and took the site value as 40% of that value, arriving at a site value of £130,000. He had then used a yield rate of 7% and for the deferment rate. In reply to the Tribunal he said he would not object to a yield rate of between 6% and 7%.
7. In reply to the Tribunal, Mr Widdowson made no submission contrary to the Tribunal's preliminary view that the entire ground rents reserved by the leases attached to every part of the land demised.

## Consideration

8. The Tribunal considered all the case papers including the valuation advice, the Court papers, the evidence and its inspection of the Premises.
9. The Court had determined that the Applicant was entitled to the freehold of the Premises under the Act.
10. The Tribunal accepted Mr Smith's evidence of the value of the Premises as a house of £325,000 and their site value of £130,000.
11. The Tribunal did not, however, consider that the rate of 7% used by Mr Smith for yield was appropriate. There was no evidence to support that rate. The Tribunal considers from its own knowledge and experience that a lower rate is appropriate and that rate to be 6.5%.
12. The site of the Premises forms part of land demised by two leases. Both leases are dated 19<sup>th</sup> August 1889 and both made between Edwin Worth and Harry Hammond (Lessors) and Wesley Hayes (Lessee) for terms of 999 years less one day from 24<sup>th</sup> June 1887. One lease demises land fronting Balmoral Road and the other demises land fronting Sandringham Road. The two areas of land abut each other and the Premises straddle the boundary between the two. The rents reserved are (apart from peppercorns initially) are £14.14.0d for that fronting Balmoral Road and £13.13.0d for that fronting Sandringham Road.
13. There is no evidence that these ground rents were at any time apportioned with the consent of the lessor or his successors in title. The Tribunal's view therefore is that the ground rents continue to attach to every part of the land out of which they were reserved, so that the full amounts of those ground rents attach to the small areas of land which comprise the site of the Premises. For that reason the Tribunal found that the value of ground rents to be taken into account were £28.35 per annum resulting in a significant difference in the Applicants' valuation.
14. The Tribunal made its calculations and decision accordingly.

  
Chairman.  
A member of the Southern  
Leasehold Valuation Tribunal  
appointed by the Lord Chancellor