

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**

**SOUTHERN RENT ASSESSMENT PANEL AND LEASEHOLD TRIBUNAL VALUATION  
TRIBUNAL**

**Case Number:** CH1/18UG/OAF/2008/0012

**Application under Section 27(5) of the Leasehold Reform Act 1967 as amended  
By Section 149 of the Commonhold and Leasehold Reform Act 2002**

**Re:** 9 Holtwood Drive, Woodlands, Ivybridge, Devon, PL21 9TH  
("the Premises")

**Between:** Mr DAVID BEER AND MRS EMMA LOUISE BEER  
("Applicants")

**THE HEIRS OR ASSIGNS OF THE LATE SIR WILLIAM STRODE  
AND RICHARD STRODE  
(BEING THE UNKNOWN FREEHOLDER)**

("Respondent")

**Tribunal Members:** Mr T E Dickinson BSc FRICS IRRV (Chair)  
Mr M C Woodrow MRICS

**Date of Application:** 8th August 2008

**Decision:**

For the reasons set out below the Tribunal has determined that the price payable by the Applicants (such amount to be paid into the Court) for the freehold reversion to the property pursuant to the Application made by the Applicant to the Court and in accordance with its jurisdiction under Section 27 of the Leasehold Reform Act 1967 (as amended), shall be £35.

**Reasons:**

1. 9 Holtwood Drive, Ivybridge (“the Premises”) comprise a two storey detached house located on a modern residential estate on the outskirts of Ivybridge, about half a mile from the A38 Devon Expressway connecting the cities of Plymouth and Exeter, but closer to Plymouth.
2. The property lies in a cul-de-sac leading off Cornwood Road towards the western outskirts of the town and lies amongst similar sized detached houses of varying styles, all built around 20 years ago by Clarke Homes.
3. The property is of traditional construction, probably of rendered cavity blockwork walling, under a pitched concrete tiled roof. To the rear is a PVCu double glazed conservatory, which is a tenant’s improvement.
4. The accommodation comprises:  

Ground Floor:	Entrance hall, cloakroom/wc, lounge with opening to dining area, rear conservatory, kitchen/breakfast room.
First Floor:	Landing, bedroom 1 with en-suite shower/wc, bedroom 2, bedroom 3, bedroom 4, bathroom/wc.
Outside:	There is an integral single garage with up and over door and side personal door. There are gardens to the front and rear.

The average site depth is about 27 metres and the site frontage is approximately 10.7 metres. The total site area extends to less than 290 square metres.

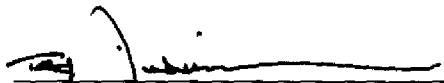
5. Copies of the Registers of the Title to the Premises held by HM Land Registry have been produced to the Tribunal and these indicate that the premises were first registered in 1985. The Property Register refers to the land being held “with other land, the extent of which is undisclosed” for a term of 500 years at “no rent” created by a lease dated 9 November 1671 and made between Sir William Strode and Richard Strode (1) and Sir Richard Chiverton (2). It has been noted that neither the original lease nor a certified copy or examined abstract thereof was produced on first registration and the foregoing particulars are taken from a conveyance dated 2 August 1963 made between (1) Margaret Katherine Strickland and (2) Frederick Ford Northmoor.
6. The Applicants are the current registered proprietors listed in the proprietorship. The leasehold title was registered on 23 September 2003. The price stated to have been paid for the premises at that time was £215,000.
7. On 23 October 2008 District Judge Tromans, sitting at Plymouth County Court, gave an order that the property known as “9 Holtwood Drive, Woodlands, Ivybridge” be vested in the Applicants David Beer and Emma Louise Beer as if they had on the date of the summons given notice under the Leasehold Reform Act 1967 to acquire the freehold of the property.
8. By a letter dated 28 November 2008 the Applicants applied to the Leasehold Valuation Tribunal pursuant to Section 27(5) of the Leasehold Reform Act 1967 (The Act) to acquire the freehold of the premises.

**The Law:**

1. The appropriate sum which in accordance with Section 27(3) of the Act to be paid in to Court is the aggregate of:
  - a. Such amount as may be determined by (or on appeal from) a Leasehold Valuation Tribunal to be the price payable in accordance with Section 9 of the Act.

- b. The amount or estimated amount as so determined of any pecuniary rent payable for the house and premises up to the date of the Conveyance which remains unpaid
2. Section 9 of the Act sets out in detail the assumptions to be made and the procedure to be followed in carrying out the valuation. The effect of Section 27(1) is that the valuation date is the date on which the application for an order was made to the Court and that date is in this case 8<sup>th</sup> August 2008
3. In the bundle provided by the Applicants was a valuation made by T Davies FRICS of Bradleys of Exeter, stating that in his opinion the value which should be placed on the freehold reversion was £25. His opinion was that the market value of the premises as at 9<sup>th</sup> December 2008 was £235,000 less build costs of £120,000 and developer's profit at approximately 21% of gross development value (£50,000), providing a site value of £65,000. Mr Davies calculated a modern ground rent as representing 6% of site value and thus arrived at a figure of £3,900 per annum. Mr Davies capitalised the modern ground rent in perpetuity at a yield rate of 5% to provide a capital figure of £78,000. Finally, Mr Davies deferred the capital value for 163 years at a rate of 5% to arrive at a figure of £27.43, but say £25.
4. In arriving at its valuation, the Tribunal adopted the "standing house" approach and found:
  - a. The unexpired residue of the term at the date of the valuation is 163 years.
  - b. The Tribunal considered the market value of the premises at 8<sup>th</sup> August 2008 was £275,000 and that the site value would be £82,500.
  - c. By applying a yield of 6% a modern ground rent of £4,950 is appropriate.
  - d. Capitalising the modern ground rent at 5% and also applying a deferment rate of 5%, this provides a figure of £34.82, but say £35.
5. Mr Davies referred to a deferment rate of 5% but gave no explanation as to why he had chosen this rate, as opposed to the 4.75% rate for houses, suggested as a generic rate after the decision of the Lands Tribunal in the case of *Earl Cadogan v Sportelli* (LRA50 2005 "Sportelli"). Although Mr Davies did not explain why he had adopted this rate, the Tribunal considered that the nature and location of this modern housing estate and the fact that no ground rent is payable militated against the use of a deferment rate as low as that used in "Sportelli". Accordingly, the Tribunal decided to accept the deferment rate of 5% as being appropriate in this case.

Signed



Mr T E Dickinson BSc FRICS IRRV (Chairman)  
A Member of the Leasehold Valuation Tribunal appointed by the Lord Chancellor

Dated 24 February 2009

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**Appendix**

**Tribunal's Valuation**

Ground Rent reserved

**Reversion**

Market value of Premises (8 Aug 2008)	£275,000
Site value @ 30%, say	£ 82,500
Modern ground rent @ 6%	£ 4,950
Years purchase (in perpetuity) @ 5%	
20	£ 99,000
X present value of £1 deferred 163 years @ 5%	<u>0.0003517</u>
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Enfranchisement Price	£34.82
<b>But say</b>	<b>£35.00</b>