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**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **MAN/00CA/0AF/2015/0033**

Property : **41 Trafalgar Road Southport PR8 2HF**

Applicant : **Alan and Susan McCready**

Respondent : **Shenstone Properties Limited**

Type of Application : **Section 21(1)(a) Leasehold Reform Act 1967**

Tribunal Members : **Mr John Murray LLB
Mr. Mark Bennett**

Date of Decision : **25 April 2016**

DECISION

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THE APPLICATION

1. The Applicants made an application to the Tribunal to determine the price payable for the transfer of the freehold interest of 41 Trafalgar Road, Southport, PR8 2HF (“the Property”), pursuant to Section 21(1)(a) of the Leasehold Reform Act 1967.
2. Notice under the Act was served by the Applicants on the Respondent on 11 September 2015.
3. The Respondent served no notice in response on the Applicants.
4. The Application to the Tribunal was made on 18 November 2015.
5. Directions were made on 4 February 2016 for the parties to lodge bundles of documents containing statement of case (including valuations) along with the Tribunal application form, lease and claim notices.
6. The Applicant filed a bundle prepared by Andrew Orme of Orme Associates complying with the Directions. The Respondent did not comply with the directions, and filed no evidence.
7. The Respondent had written to the Tribunal on 22 March 2015 indicating they wanted to inspect the property for any potential breach of lease, but had been unable to, through no fault of their own. The Applicants wrote to dispute this, saying that they had endeavoured to facilitate inspection, but had not received details of any suitable dates. An inspection had actually taken place on the 29 March 2015. The Applicants say that they had not been advised of any breach of lease. The Tribunal had written to the parties to indicate that such inspection had no bearing on the application.

THE DETERMINATION

8. A Tribunal was appointed to consider the application as a paper determination. Neither party requested a hearing or an inspection of the Property.
9. The Tribunal subsequently met for deliberations. The Tribunal considered the application in the light of evidence and submissions filed by the Applicants, and its own expert knowledge.

THE LEASE

10. The lease is dated 18th October 1983, but commenced on the 3rd July 1912, for a period of 999 years, from 25th March 1907. Rent was recorded as £6 8s (£6.40). The unexpired term was 890 years.

VALUATION EVIDENCE

11. The Applicants filed submissions including valuation evidence prepared by Mr. Andrew Orme of Orme Associates.
12. Mr. Orme described the Property as being a detached house built in or around 1907 of traditional brick construction with rendered and painted walls beneath a pitched tiled roof and extending over ground, first and loft floors. He supplied photographs which supported this description.
13. Mr. Orme estimated the value of the Property as being £460,000 based on evidence from the Internet (Zoopla) and HM Land Registry.
14. Mr Orme capitalised the ground rent at 6%. He asserted that ground rent of £6.96 was hardly worth collecting, so adopted a 6% figure over a 16.66 year purchase, rather than 5% ,taking the unexpired term as the perpetuity period. The Tribunal noted that the ground rent of £6 8s equates to £6.40 in decimal currency.
15. The site value was determined by taking 33% of the built value. He valued the appropriate cost for the transfer of the freehold as being £116.00.

DECISION

Price for Enfranchisement

16. The price payable by the Applicants for the Transfer will be £107.00, being ground rent of £6.40 @ 6% (16.66 YP).
17. Given that the ground rent was determined by reference to the perpetuity period the Tribunal determined that there was no reason to value the reversion which as Mr. Orme's calculations illustrated calculated at zero.

Costs

18. The Respondent is entitled to be recover the reasonable costs of conveyancing and valuation under Section 9(4) of the Leasehold Reform Act 1967. The Tribunal assesses these costs at £250 plus VAT.