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SOUTHERN RENT ASSESSMENT PANEL

LEASEHOLD REFORM ACT 1967 SECTION 9

ENFRANCHISEMENT OF LEASE

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ("LVT")

Case No.	CHL/00HC/OAF/04/14
Property	31 Kelston Road Worle Weston-Super-Mare North Somerset
Applicant	Mr & Mrs M. Smith
Date of Inspection and Decision	28 October 2004
Tribunal Members	Mr D.R. Hebblethwaite (Chairman) Mr J.S. McAllister FRICS Mr M.J. Ayres 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 High Court Queen's Bench Division Bristol District Registry dated 25 March 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 6 May 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 had been dated 12 March 2004. This is the date at which the valuations must be fixed.

Inspection

4. The Tribunal inspected the Property in the presence of Mrs Smith and found it to be as described in the valuation of M.T. Ripley FRICS dated 11 October 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, and also took the Applicant's 1995 purchase price adjusted by the Nationwide Building Society Regional Price Index, and concluded an entirety valuation for the Property of £135,000.00. He applied a percentage of 27.5 to calculate a site value of £37,125.00. He proposed a modern ground rent @ 7% = £2,598.75 per annum. He proposed an enfranchisement price, based on a deferment of 53.5 years, the unexpired term of the lease, of £995.54.
7. Mr Ripley made no reference to unpaid rent.

Decision

8. The Tribunal accepted Mr Ripley's valuation for the Property in the absence of any other valuation evidence. Accordingly the Tribunal determined the open market entirety value of the Property at £135,000.00.
9. 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. However the Tribunal felt that 30% was the appropriate percentage for the site value, to give a figure of £40,500.00. The Tribunal agreed that a modern ground rent should be calculated at 7% to give £2,835.00 per annum. With 53.5 years of the lease to run from the date of the Applicant's Notice the years' purchase multiplier of 0.3829 is correct and gives a resultant figure of £1,086.00.
10. The Tribunal therefore determined that the enfranchisement price to be paid into court is **£1,086.00**.
11. 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.

David Holt
.....Chairman

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.....Date