



ACQ/16/2006

LANDS TRIBUNAL ACT 1949

COMPENSATION – Compulsory purchase – unused land required for parking – untraceable owner – comparable transaction – compensation awarded £32,500

IN THE MATTER of A NOTICE OF REFERENCE

BETWEEN

UNKNOWN

Claimant

and

SALFORD CITY COUNCIL

Respondent

Re: Land at Sovereign Street, Salford M6 6LY

**Determination by P R Francis FRICS on the basis of written representations
under Rule 27, Lands Tribunal Rules 1996**

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DECISION

1. This is a reference by Salford City Council (the acquiring authority) to determine the compensation payable for the freehold interest in an open area of unused land and half the road width situated on the south side of Sovereign Street, Salford and extending to 665.43 sq m (gross), 501.5 sq m (net), compulsorily acquired under The Salford City (Land at Sovereign Street, Salford) Compulsory Purchase Order 1994 (the CPO), made on 24 September 2004 and confirmed on 28 April 2005. The land was vested in the acquiring authority on 24 August 2005 which is the valuation date for the purpose of this determination.

2. The council has provided the Tribunal with details of the steps it, and the owner of adjacent land, has taken to try to identify and trace the owner of the subject land. Those steps included notice of the making of the CPO in the Manchester Evening News on 21 and 28 October 2004, further notices relating to a planning application submitted in 2004 by the adjoining owner on a site which included the subject land, the posting of a notice on the site and enquiries of the Land Registry that revealed that the land was not registered. Notice of the reference to this Tribunal has also been advertised, but none of the actions taken (which I am satisfied were sufficiently diligent) have succeeded in tracing the owner. I have been provided with an expert witness report dated 3 May 2007 submitted by Robert Yardley MRICS, Valuation Officer for the District Valuer North West division of the Valuation Office Agency, together with replies to additional questions raised by me.

3. The subject property comprised a vacant area of land which had been latterly used for fly-tipping in a mixed urban location of predominantly residential, light industrial and commercial premises. It was adjacent to and, in part, adjoined land comprising nos 11 – 31 Broughton Road, Salford which formerly contained The Maypole Public House, and a Co-operative Store. That land, together with the subject property, was the subject of a planning application by Abbotsound Ltd for the “retention of alterations and a 4 storey extension to convert the former Co-op to 50 apartments, together with conversion of the former Maypole public house into 15 apartments, and the formation of 37 car parking spaces”. The application was made on 27 October 2004 and full permission was granted by the council under reference 04/49660/FUL on 27 July 2005. The subject property was required, and the CPO was made, to facilitate the provision of 26 of those parking spaces. The development was to be undertaken by Urbanvision Partnership Limited.

4. In his report, Mr Yardley said that he understood that that planning permission replaced an earlier consent (in 2001) for the conversion of the Co-op building alone to 39 flats with 19 parking spaces to be provided in the basement. However, due to constructional constraints, it was subsequently discovered that provision of the basement parking was not feasible, but the local planning authority had advised that a revised permission, with no on-site parking, would have been likely to receive favourable consideration had it been made. In preparing his valuation of the subject land, Mr Yardley said he had considered the extent to which its inclusion within the wider development site might enhance its value, in market terms, over and above any value that existed for parking. He said that he had concluded it did not, for the following reasons:

1. The council's informal policy for flat developments is to require parking spaces for 50% of the units, and the scheme as permitted here provides for parking for 58% of the units.
2. The council's indication that planning permission might have been forthcoming for the 2001 scheme even if no parking had been provided.
3. In this area, where the proposed scheme is somewhat pioneering in that there are no similar developments nearby, and there are thus no readily available comparables in terms of parking requirements, there is ample on street parking available.
4. His research revealed there to be no discernable difference in values of flats with or without on-site parking.
5. The subject land is to be valued, at the date of vesting, on the assumption that it is only that land which is on the market and for sale.

5. Mr Yardley expressed the view that as the developer already owned the adjoining land, in real terms he would be the only potential bidder for it. The owner of the subject land would, in considering his negotiating strengths/weaknesses, be aware of this and the fact that, except for parking, the land would have little or no value on its own. The potential purchaser would, in formulating his bid, weigh up how essential this parking area was to the scheme of development, in the light of the general situation in the locality regarding the availability of parking.

6. On balance, therefore, it was his view that the value in the subject land lay as that for parking, which he assessed on a per-space basis on the basis of the one available comparable within the immediate vicinity. That was the sale of a plot of land extending to 496 sq m at Brettargh Street, very close by, in June 2004 and which was subject to a covenant restricting its use to parking only in connection with the nearby building known as Cobden House. That site had a capacity of 16 spaces, was surfaced, and the price of £25,000 achieved equated to £1,562 per space. Adjustment for inflation to the valuation date produced a value of £1,600 per space for the subject land. From this (£41,600) had to be deducted the cost of surfacing which Mr Yardley said he had been advised by the VOA's regional building surveyor would be in the order of £10,000. The resultant value was £32,600, say £32,500.

7. Following a reading of Mr Yardley's initial report, I had been concerned that he might have failed to consider adequately whether any additional value, over and above that for parking, might exist to reflect its possibly being an essential part of the wider site in terms of the extent of development permitted. Having received his comments, summarised as part of his evidence above, I am now satisfied that he has done his best to produce an objective valuation on the basis of the information available, and has given sufficient consideration to all relevant aspects and I accept his valuation. The amount of compensation payable for the freehold interest in the subject property is therefore determined at £32,500.

Dated 18 July 2007

(Signed)

P R Francis FRICS