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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. CHI/00HC/OAF/04/10

Property 18 Perrymead
Worle
Weston-Super-Mare
North Somerset

Applicant *Ms S.L.Boneham

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

*Since making her application Ms Boneham has sold the Property to Mr J.R.Quick

Background

1. The Applicant (now Mr Quick) 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 Weston-Super-Mare County Court dated 21 June 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 30 June 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 13 May 2004. This is the date at which the valuations must be fixed.

Inspection

4. The Tribunal inspected the Property in the presence of a friend of Mr Quick (who was absent) 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 concluded an entirety valuation for the Property of £112,500.00. He applied a percentage of 27.5 to calculate a site value of £31,000.00. He proposed a modern ground rent @ 7% = £2,710.00 per annum. He proposed an enfranchisement price, based on a deferment of 53.25 years, the unexpired term of the lease, of £845.00.
7. From the official copy register entries the Tribunal noted that the Property was transferred by the Applicant to Mr Quick on 24 August 2004 for £119,000.00. The Tribunal found that the sale was likely to have been negotiated in June 2004. The Tribunal was surprised that Mr Ripley did not mention this in his valuation. Mr Ripley made no reference to unpaid rent.

Decision

8. The Tribunal had no hesitation in adopting the sale price between the Applicant and Mr Quick as the open market value of the Property, particularly as the negotiation was likely to have taken place just weeks after the Applicant's Notice. Accordingly the Tribunal determined the open market entirety value of the Property at £119,000.00.
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 £35,700.00. The Tribunal agreed that a modern ground rent should be calculated at 7% to give £2,499.00 per annum. With 53.25 years of the lease to run from the date of the Applicant's Notice the years' purchase multiplier of 0.3894 is correct and gives a resultant figure of £973.00.
10. The Tribunal therefore determined that the enfranchisement price to be paid into court is £973.00.
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 Hebblewhite Chairman

05 11 04 Date