

SOUTHERN RENT ASSESSMENT PANEL AND TRIBUNAL
LEASEHOLD VALUATION TRIBUNAL

Leasehold Reform Act 1967 – Sections 1, 9, 21 and 27

Case No: CHI/24UP/OAF/2005/0005

BETWEEN:

BRIAN ROBERT HILL
and PAULINE HILL

Applicants

- and -

PERSONS UNKNOWN

Respondent

PROPERTY:

THE OLD MILL HOUSE
Old Mill Lane, Denmead, Hants, PO8 OSW

TRIBUNAL:

Mr D AGNEW, LLB, LLM Chairman
Mr P TURNER-POWELL, FRICS

DATE OF DETERMINATION:

1ST APRIL 2005

REASONS FOR DECISION

1. Introduction

- 1.1 This is an application to the Leasehold Valuation Tribunal to determine the price payable under Section 9 of the Leasehold Reform Act 1967 for the freehold of The Old Mill House, Old Mill Lane, Denmead, Hampshire ("the Premises").
- 1.2 The premises are leasehold and it is believed that the term of the lease is 500 years from 1604 at a rent of 4d per annum. Unfortunately the lease was lost many years ago. It is not known who the current owner of the freehold is. No ground rent has been demanded for many years.
- 1.3 Deputy District Judge Matthews, in Winchester County Court, on 10th August 2004 ordered that the proceedings under Section 27 of the Leasehold Reform Act 1967 be stayed pending an application to the Tribunal and that the claim for enfranchisement be advertised in various local newspapers and the London Gazette. The Tribunal was told by the Applicants' solicitors that these advertisements had been duly published. There has been no response.

1.4 The Applicants produced a valuation by Mr C R Daniells BSc, MRICS, a partner in the firm of Daniells Harrison, dated 21st February 2005.

1.5 Preliminary Directions were given by a Tribunal Vice-President on 31st January 2005 providing, inter alia, that the application be dealt with on the basis of the papers submitted unless the Tribunal was notified by the Applicants prior to 25th February 2005 that an oral hearing was required. No such notification was received.

2. Inspection

2.1 The Tribunal inspected the premises, in the presence of Mr Hill, on 1st April 2005 prior to the determination.

2.2 The Old Mill House is a substantial detached property built in a rural location in 1986 when the windmill, which had originally stood on the site, was demolished.

2.3 The premises comprise: a hall, study, living room, dining room, kitchen, utility room, downstairs cloak room and four bedrooms (one en suite and another with a shower). Outside there is a barn which can garage two cars and a stable which is partly used as a carport for one car. The premises are situated in a good sized plot. A public right of way cuts across the land from which the pathway is separated by post and rail fences. On the far side of the public right of way from the house is a large paddock.

3. Valuation evidence

3.1 The Applicants' surveyor has valued the premises on an open market basis at £600,000. He has valued the remaining term using a capitalisation rate of 8% at 21p. The unpaid rent at 1.67p per annum over 6 years is 12p. He values the current capital value of the right to receive the ground rent deferred for 100 years at 8% at £103.15, making a total consideration of £103.48.

4. Determination

4.1 The Tribunal accepted the current capital value of the property on an open market basis at £600,000. It agreed that the unpaid ground rent was 12p. The Tribunal thereafter departed from Mr Daniell's methodology slightly. It calculated the value of the ground rent receivable over the next 100 years but discounted for early receipt at 27.75p (1.67p x 16.6175). It then calculated the value of the 50 year lease extension deferred for 100 years at £93.43 (16,800 x 0.0055613). Finally, the Tribunal considered that the value of the reversion ought to be

calculated and included in the consideration. This would not fall in for a further 150 years. The value of the reversion in 150 years capitalised at 8% would be £5.76 (£600,000 x 0.0000096).

- 4.2 The Tribunal decided therefore that the consideration for the transfer of the freehold to the Applicants would be:

Unpaid rent at 1.67p pa over 6 years	£ 0.12
Ground Rent receivable over next 100 years	£ 0.28
50-year lease extension deferred for 100 years	£93.43
Reversion in 150 years capitalised at 8%	£ 5.76

	£99.59
	say £100
	=====

- 4.3 As the freeholder has not been found and has not incurred any costs in respect of this application, there will be no requirement for the Applicants to pay any costs in the consideration for the transfer.
- 4.4 The Tribunal determines therefore that the consideration for the transfer of the freehold of the premises to the Applicants shall be £100.
- 4.5 The Tribunal was unclear as to whether it was being asked to approve the form of the draft transfer submitted with the application or whether the Applicants' solicitors envisaged that they would ask the County Court to approve the form of the Transfer. That draft is, of course, incomplete as the consideration was not known until determined by the Tribunal.
- 4.6 If the Applicants' solicitors wish the Tribunal to make an order with regard to the form of the Transfer, the form TR1 should be completed and submitted to the Tribunal for final approval.

Dated this 4th day of April 2005

Signed:


D Agnew
Chairman

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ORDER

UPON reading documents supplied by the Applicants' solicitors and the Tribunal having inspected The Old Mill House, Old Mill Lane, Denmead, Hampshire, PO8 OSW ("the premises") on 1st April 2005,

IT IS ORDERED:-

1. The consideration for the acquisition by the Applicants of the freehold of the premises under Sections 1, 9, 21 and 27 of the Leasehold Reform Act 1967 shall be £100.

Dated this 4th day of April 2005

Signed:

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D Agnew
Chairman