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**SOUTHERN RENT ASSESSMENT PANEL AND
LEASEHOLD VALUATION TRIBUNAL**

**In the matter of section 9 and section 27 of the
Leasehold Reform Act 1967 (as amended)**

and in the matter of 29 Perrymead Worle Weston super Mare

Case Number: CHI/00HC/OAF/2005/0028

Upon the application of Mr & Mrs M C Hullah ("the Applicants")

Inspection and determination: 17th November 2005

The matter was considered in the light of written representations without a hearing

Decision of the Tribunal

Issued: 30th November 2005

Tribunal

Mr R P Long LLB (Chairman)

Mr A.D. Gregg

Mr M J Ayres FRICS

Decision

1. The tribunal has determined for the reasons set out below that the price payable by the Applicant for the freehold reversion in this matter is the sum of £956.

Reasons

2. 29 Perrymead ("the property") is a two bedroom terrace house erected in a corner position on a development at Worle. The tribunal was informed that it was built in or about 1986. It is of brick and reconstituted block cavity construction under a tiled roof, and has a small garden. There is no garage but a separate parking space is included in the lease. There appeared from our inspection to be no material improvement or modernisation that we should disregard for the purposes of valuation. The Applicant did not seek a hearing before the tribunal.
3. The property is built upon land that was part of that demised by a sixteenth century lease of which the tribunal understands understand no copy now is known to exist. The demise was in favour of John and Isabel Thomas for a term expiring in 2057 at an annual rent of £1-6-9d (£1-34). We are informed that no rent is paid by the lessees of the property under this lease. The whereabouts of the lessees or beneficiaries under this lease are now unknown.
4. The Weston Super Mare County Court made an Order, whose date is unclear on the copy supplied, that the freehold of the property be vested in the Applicants. However the valuation date is understood from the valuation by Messrs Stephens and Co supplied, and from the copy of the acknowledgement of application to be 15th August 2005. The Order contains a paragraph in the following terms:

"AND THIS COURT determines and declares pursuant to the provisions of section 27(5) of the Leasehold reform Act 1967 that the estimated amount of pecuniary rent payable for the said property by the Applicants as tenants thereof under the lease out of which the Applicants current interest arises as provided by section 3 of the Landlord & Tenant Act 1954 as amended and which remains unpaid and which will remain unpaid up to the date of this order is the sum to be determined by the Leasehold Valuation Tribunal (under section 9(i) of the Leasehold reform Act 1967 under the "original valuation" basis)."
5. The amount that the tribunal is to determine is the 'appropriate sum' defined in section 27(5) of the Act as follows:

'The appropriate sum which in accordance with sub section (3) above, is to be paid into Court is the aggregate of:

 - (a) such amount as may be determined by (or on appeal from) a leasehold valuation tribunal to be the price payable in accordance with section 9 above, and

- (b) the amount or estimated amount as so determined of any pecuniary rent payable for the house and premises up to the date of the conveyance which remains unpaid.’
6. Section 9 of the Act sets out in detail the assumptions to be made and the procedure to be followed in carrying out the valuation. The effect of section 27(2)(a) is that the valuation date is the date on which the application for an Order was made to the Court, in this case on 15th August 2005.
 7. The tribunal is aware that the expression “original valuation basis” is one that is referred to in a paper on the website of the Leasehold Advisory Service (LEASE) intended to explain valuations in matters of this nature to the general public, although the term does not appear in the leading textbook upon the matter, Hague on Leasehold Enfranchisement. However, the paper in question, adopts the “standing house” method of valuation as does the valuation from Messrs Stephen & Co the applicants’ valuers, which is the method commonly adopted for valuations under section 9(1) of the Act, and that is the course that the tribunal considers is appropriate in this case, so that there appears to be no issue on that aspect. There is unlikely to be evidence of sales of vacant sites because the locality in which the property stands has been fully developed for some years. Finally, the tribunal bore in mind the cases to which the Applicant’s valuers stated that they had considered.
 8. For the purpose of establishing what amounted to the standing house value of the property on the valuation date Messrs Stephen & Co had supplied details of sales of two comparable properties. 3 Elton Road was sold in September 2005 for £113,750 and 9 Perrymead was sold in February 2005 for £116,000. From those figures they had concluded that the value of the subject property on the valuation date was fairly represented by a sum of £107,500.
 9. The standing house value requires an assumption that the property is freehold, is in good condition and that the site has been developed to its best use within the existing use category. Section 9(1A)(d) of the Act requires the tribunal to take no account of any improvements made by the lessee, although in this case there appeared to be no material improvements that would have had the effect otherwise of increasing the value. The tribunal was prepared to accept the proposition put forward by Messrs Stephen and Co that the rather cramped corner location of the subject property, together with its convoluted and overlooked access would have a material adverse effect upon its value. Accordingly it accepted the valuation of £107500 that the valuers put forward as the entirety value of the property.
 10. Messrs Stephen & Co argued that the site value should be taken as 29% of the entirety value. They pointed to the awkward access and to the fact that the parking area is owned by others as justifying a reduction from the 30% that they would otherwise have taken for that element. In that latter connection the copy of the title produced to the tribunal indicated that the parking space, although separate, is a part of the title. The tribunal considered that having made allowance for the location and access in the freehold valuation there

would be an element of double counting if it then also reduced the element of that sum taken for site value, and took the figure of 30% of the freehold as representing site value.

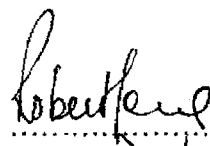
11. The tribunal accepted Messrs Stephen & Co's representation that a modern ground rent in this locality might be established using a 7% rate of return on the site value. That produces a modern ground rent of £2257-50. It added no amount for unpaid ground rent as any apportionment of the rent of one shilling and sixpence originally reserved produces an entirely insignificant sum for an individual property.

12. The tribunal's valuation therefore was:

Ground rent reserved:	Nil
<u>Reversion</u>	
Estimated site value (30% of £107500)	32250 - 00
Modern Ground rent @ 7%	2257 - 50
Modern Ground rent	2117.5
YP in perpetuity deferred 52 years	<u>0.4236</u>
Total	956-25

But say £956-00.

13. The tribunal approves the form of transfer that was sent with the application, a copy of which is annexed and is signed by me for identification.



Robert Long
Chairman

29th November 2005

Transfer of whole
or registered title(s)

Approved transfer

H M Land Registry

6

TR1

29.11.05

1. Stamp Duty

It is certified that the transaction effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value of the aggregate amount or value the consideration exceeds the sum of £120,000 00

2. Title Number(s) of the Property *(leave blank if not registered)*

AV151745

3. Property

29 Perrymead, Worle, Weston-super-Mare, North Somerset, BS22 7FB

If this transfer is made under section 37 of the Land Registration Act 1925 following a not-yet-registered dealing with part only of the land in a title, or is made under rule 77 of the Land Registration Rules 1925, include a reference to the last preceding document of title containing a description of the property

4. Date

5. Transferor

The Successors in Title to Catherine and Henry Wallop

5. Transferee for entry on the register

Michael Carsten Hullah and Karen Louise Hullah

Transferee's intended address(es) for service in the U.K. *(including postcode)* for entry on the register

29 Perrymead, Worle, Weston-super-Mare, North Somerset, BS22 7FB

8. The Transferor transfers their interest in the property to the Transferee.

9. Consideration

The Transferor has received from the Transferee for the property the sum of _____ Pounds
(£ _____)

10. The Transferor will transfer with limited title guarantee.

11. Declaration of trust

The Transferees are to hold the Property as joint tenants.

12 This Transfer is made pursuant to an Order for enfranchisement within the provisions of Section 8 and Section 27 of the Leasehold Reform Act 1967 made in the Bristol District Registry by order of District Judge **7** dated the _____ day of _____ 2005.

13. Application is hereby made to the Chief Land Registrar to close the leasehold title number AV151745 and to cancel the entries numbers 1 and 2 of the Property Registry.

SIGNED AS A DEED by **PETER GEORGE WHICHER**
a Partner in the firm of Berry, Redmond & Robinson solicitors
pursuant to Direction dated 9 June 2004 of District Judge Frenkel
under Section 39 of the Supreme Court Act 1989 on behalf of
Henry Wallop and Catherine Wallop in the presence of: -

Signature of
witness

Name (in BLOCK CAPITALS)

Address

SIGNED AS A DEED by
MICHAEL CARSTEN HULLAH and
KAREN LOUISE HULLAH
in the presence of: -

Signature of
witness

Name (in BLOCK CAPITALS)

Address