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Ref: LON/LVT/1208/00

LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER
S21 OF THE LEASEHOLD REFORM ACT 1967**

Applicant: Mr Horace Barber

Respondent: Denetower Limited

RE: 28 Greenway Close, Totteridge, London N20

Application to the Tribunal dated: 11 January 2000

Heard: 4 July 2000

Appearances:

Mr E A Emeny Bsc (Est Man) FRICS

for the Tenant

No appearances

for the Landlord

Members of the Leasehold Valuation Tribunal :

Ms L M Tagliavini BA (Hons), Dip Law, LLM
Mr P A Copland BSc FRICS
Mr J J Tomalin

(Chairman)

Date of the Tribunal's decision: 11 September 2000

LON/LVT/1208/00

28 GREENWAY CLOSE
TOTTERIDGE
LONDON N20

THE TRIBUNAL'S DECISION

1. This is an application by the tenant, Mr Horace Barber for a determination of the freehold purchase price of the subject premises pursuant to the provisions of Part I and section 21 of the Leasehold Reform Act 1967.

2. No. 28 Greenway Close comprises a house, garage and gardens said to be situated in a good residential area. Mr Barber has been the tenant of the subject premises since 17th May 1963 and qualifies to purchase the freehold of the premises in accordance with the 1967 Act. The tenant gave notice of his intention to exercise his right to purchase the freehold to the freeholder, Denetower Limited by a notice dated 24th June 1998. The Particulars dated 11th January 2000 of the tenant's application stated that a purchase price of £275.00 was to be considered reasonable.


3. By a notice dated 31st August 1999 the tenant's right to purchase the freehold was admitted. No counter-proposal as to the purchase price was submitted.
4. At the hearing of the application the tenant was represented by Mr E.A. Emeny BSc Est Man. FRICS, who had inspected the exterior of the subject premises. The landlord did not attend and was not represented nor were any written representations were received on behalf of the landlord.
5. This subject premises forms part of an estate of which a number of tenants had been offered their freehold by their landlord for £2,500 each. One of these properties, namely No. 4 Elmstead Close, London N20 Ref: *LON/LVT/875/98* had been referred to a previous Tribunal as a test case. Mr Emeny in his submissions drew comparisons between this previous decision and the subject property.
6. In the previous decision the Tribunal was dealing with an unexpired term of 957 years with a very well secured ground

rent but with no possibility of growth. As an investment this was considered to be of little appeal. The Tribunal took into account the possibility of the landlord earning insurance commission and the benefit to the tenant of being freed from the need to obtain the landlord's permission to carry out alterations or extension. Consequently, the Tribunal concluded that it would be appropriate to reflect these factors in an uplift of the year's purchase to be applied to the fixed ground rent and accordingly determined 11 YP as being appropriate. This gave an acquisition price of £275.00.

7. In this case it was submitted by Mr Emeny that there was little difference between the facts as found by the Tribunal in respect of No. 4 Elmstead Close and the subject premises. Mr Emeny submitted that the figures adopted for that property should be adopted by this Tribunal. In this case the lease dated 16th April 1953 for a term of 999 years from 29th September 1952, had an unexpired term of 951 years with a ground rent of £25 per annum by four quarterly payments with no review. The insurance provisions in the subject lease also indicate a possibility of allowing the landlord to raise revenue by way of insurance commission should the tenant default.

8. Having considered the oral and documentary evidence available this Tribunal decided that there was no reason to deviate from the previous decision in *LON/LVT/875/98* and adopts those figures here (see Appendix I). Accordingly, the Tribunal determines that the reasonable freehold purchase price is £275.00 and approves the form of draft transfer submitted.

Signed: *H. P. Shaw*, Chairman

Dated:  11/9/2000

LON/LVT/1208/00

28 GREENWAY CLOSE

TOTTERIDGE

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Appendix I

Purchase Price Payable by Purchaser

	£	£
Rents receivable	25	
YP in perp approx 9%	<u>11</u>	275