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LVT 9

Our Ref: M/EH 2219

MIDLAND RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: Mr & Mrs Edwards

Respondent: Fellows & Jones (Builders) Ltd

Re: 5 Hill Street, Kings Hill, Wednesbury, WS10 9LB

Date of Tenants Notice: 21 February 2001

RV as at 1.4.73: Less Than £500

Application dated: 23 February 2001

Heard at: The Panel Office

On: 21 November 2001

APPEARANCES:

For the Tenant: Mr Graham Boardman – Graham Boardman & Co

For the Landlord: Mr Wayne Fellows

Members of the Leasehold Valuation Tribunal:

Mr R T Brown FRICS (Chairman)
Mr D Salter LLB
Mrs N Jukes

Date of Tribunals decision: 21 January 2002

UNEXPIRED LEASE 71 YEARS
ANNUAL GROUND RENT £25.00
VALUE OF PROPERTY £62,500

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

In respect of

MR & MRS A EDWARDS -v- FELLOWS AND JONES (BUILDERS) LTD

5 HILL STREET, KINGS HILL, WEDNESBURY. WS10 9LB

JURISDICTION

This is a determination under section 9 of the Leasehold Reform Act 1967 (as amended) of the price to be paid for the Freehold interest in 5 Hill Street, Kings Hill, Wednesbury. WS10 9LB.

The lessees hold the property by way of a lease dated 30th December 1974, for a term of 99 years commencing on 29th September 1957 at an annual ground rent of £25.00.

The Lessee's notice of claim is dated 21st February 2001, when there were approximately 71 years unexpired.

The Tribunal inspected the property on 21st November 2001 in the presence of the lessee, Mrs Edwards. Mr Wayne Fellows of Fellows and Jones attended but did not inspect.

The property comprises:- A semi detached house constructed circa 1973 in traditional materials. The property is approached by a side entrance and has the benefit of gas central heating and double glazing. The accommodation comprises, on the ground floor, hall, fitted kitchen, living room (extended). On the first floor, one single and two double bedrooms, bathroom (full suite including shower). Outside, gardens to front and rear with integral garage.

THE HEARING

At the hearing, Mr Graham Boardman MRICS appeared for the Lessess, Mr & Mrs Edwards.

Mr Wayne Fellows appeared for the freeholders, Fellows and Jones.

Mr Boardman presented his valuation.

His valuation is set out below.

<u>Ground Rent</u>	£25pa	
YP 71 yrs 7%	<u>14,1686</u>	<u>£354.21</u>
<u>Revert to</u>	<u>£55,000</u>	
30% Site Value	£16,500	
7% Modern Ground Rent	£ 1,155	
YP perp 7% deferred 71 yrs	<u>.11713</u>	<u>£135.29</u>
		<u>£489.50</u>
	say	<u>£490.00</u>

He went on to say that there was little comparable evidence available, although he did refer to number 9 Hill Street, an extended detached house sold early in 2001 for just less than the asking price of £89,995. From this he concluded that after making an appropriate allowance for the different type of property and the restricted site of the subject property, an entirety value of £55,000 was appropriate.

Mr Wayne Fellows had arrived at a valuation of £2,044 plus legal fees. Calculated on the basis that there were 73 years unexpired on the lease, multiplied by £25.00 ground rent per year and compound interest at 6%. He considered this to be reasonable compensation for his loss of the right to receive income. Whilst admitting that he did not understand valuation under Leasehold Reform Act 1967, Mr Fellows did dispute Mr Boardman's entirety value at £55,000, which he considered to be low, and argued that it should have been at least £75,000.

In questioning by the Tribunal, Mr Wayne Fellows had relied upon his 22 years as a Chartered Builder. He was unable to provide any satisfactory evidence, although he made reference to a site next to his yard measuring some 5 metres by 10 metres, which had an asking price of some £18,000.

THE DECISION

1. Using their knowledge (but not any special knowledge) judgement and experience, in evaluating the evidence adduced, the Tribunal conclude that Mr Boardman was cautious in this entirety value at £55,000 and determine that the entirety value should be £62,500.

In the light of this, The Tribunals valuation is as follows:-

TERM

Ground Rent	£25.00 per annum.
YP 71 yrs at 7% 14.1686	£354.21

Reversion

£62,500 @ 30% to site value	£18,750
Section 15 Ground Rent @ 7%	£14,012.50
YP perp def'd 72 yrs .11713	
Giving a value of	<u>£153.73</u>
Say	£508.00

2. No application for the determination of costs was received.
3. We determine that with the benefit of our inspection, use of our knowledge (but not any special knowledge) and experience and the evaluation of the evidence, adduced that the sum to be paid for the Freehold Interest in 5 Hill Street, Kings Hill, Wednesbury, is in accordance with section 9 of the Leasehold Reform Act 1967 (as amended) £508 (five hundred and eight pounds) and freeholders costs in accordance with section 9 (4) of the Leasehold Reform Act 1967 and Schedule 22 Part 1 (5) of the Housing Act 1980.

Robert T Brown FRICS
Chairman

Robert T Brown

Date.....**21 JAN 2002**.....