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LVT 9

Our Ref: M/EH 2450c

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: Mrs I. Dalkin

Respondent: Skilton Court

Re: 7 Bromwich Drive, Sutton Coldfield, B76 6DQ

Date of Tenants Notice: 13 October 2001

RV as at 1.4.73: N/K

Application dated: 23 April 2002

Heard at: The Panel Office

On: Tuesday 3 September 2002

APPEARANCES:

For the Tenant: Alan P. Herbert FRICS IRRV

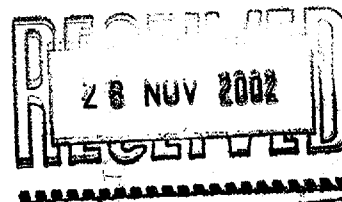
For the Landlord: Mr P Tucker

Members of the Leasehold Valuation Tribunal:

J.R Bettinson LLD (Chair)
V. Chadha
D. Underhill

Date of Decision:

26 NOV 2002



DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

7 Bromwich Drive, Sutton Coldfield, West Midlands, B76 6DQ

Ref No: M/EH 2450c & M/LRC 413

APPLICATION

This is a reference to determine the price to be paid by the Tenant Mrs I Dalkin for the freehold interest in the property known as No. 7 Bromwich Drive, Sutton Coldfield, West Midlands, B76 6DQ in accordance with the provisions of the Leasehold Reform Act 1967 as amended. The tenant holds the property under a Lease dated 17 January 1966 for the unexpired residue of a term of 99 years from June 1964 at a yearly ground rent of £30.00.

The tenant's Notice of Claim to acquire the freehold interest was dated 13th October 2001 when some 61¾ years of the term remained unexpired. The parties accept that the qualifying conditions for enfranchisement under the Act have been met. The Tenant also requested the Tribunal to determine the amount of the Landlord's reasonable costs to be paid by her.

INSPECTION

Prior to the Hearing the Tribunal called to see the property which they found on inspection to be a small mid-terrace house, one of a block of six similar properties, constructed of brick and tile with an integral garage. The accommodation comprises a hall entrance, store, living room and kitchen on the ground floor, three bedrooms with a bathroom and w.c on the upper floor. The house has the benefit of all main services and gas fitted central heating. At the bottom of the small rear garden is an embankment rising to a busy railway line. The property has a small front garden (with parking space) fronting to a cul de sac which also serves as the entrance to a school.

The site of the subject property has a road frontage of 6.4 meters and an area of some 142 square meters.

THE HEARING

This was attended by Mr A P Herbert FRICS of Messrs Pennycuick Collins on behalf of the Tenant Mrs I Dalkin and Mr P Tucker on behalf of the Landlord Skilton Court Ltd. Mr Herbert in presenting his case submitted his valuation as follows: -

Term

61.69 years unexpired

Ground Rent

£30.00 pa

YP 61.69 years at 7%

14.06589

£421.98

Reversion

Standing house value

£95,000

Site value at 32%

£30,400

Section 15 rent at 7%

£2128

YP in perp defd 61.69 years at 7%

0.21983

46.79

£889.76

say £890

He quoted in support of his standing house value No. 10 Bromwich Drive, an end terrace with extended accommodation, a large corner property with refitted kitchen and bathroom just sold for £120,000. The subject property itself was now on the market at an asking price of £125,000. The market had risen 20% in his opinion since the Notice date. He also referred to the Tribunal's decision in respect of No.6 Bromwich Drive (an end terrace) in April 2002 based on £85,000 (M/EH 2100) and No.4 Bromwich Drive (M/EH 2182) an inner terrace in May 2002 also at £85,000. He stressed the adverse noise stemming from the railway line and the congestion occasioned in term time from parents bringing children to St Joseph's Infant and Junior School. He had adopted a 32% site value to reflect the narrow frontage of the plot (adopted in the two Tribunal decisions referred to) and the 7% rate usually adopted by the Tribunal.

Mr Tucker on behalf of the Landlord did not submit a Valuation but indicated that his company had purchased the freehold to the subject property and three neighbouring houses in 1999 for £8000 by private treaty and the reversions must have increased since that date to justify the figure of £2500 which the Landlord claimed. Mr Herbert's valuation also took no account of the benefit of the insurance agency (included in his valuation). He accepted however that the Landlord did not at present insure the subject property through its agency and had not required the Tenant to do so. The Landlord had not been represented at the Hearings of the Tribunal's previous decisions involving its properties.

On the subject of costs Mr Herbert believed a reasonable Solicitors fee would be £250 and could see no evidence that a valuation fee had been effected. Mr Tucker accepted that no valuation was payable but claimed the legal fee should be £300 as the property formed part of a larger registered title.

DECISION

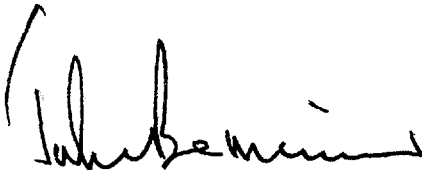
We believe on the evidence adduced and our own knowledge of price levels in the Sutton Coldfield area that a standing house value for the subject property in October 2001 would have been £105,000 and accordingly our valuation of the reversion would be: -

Standing house value	£105,000	
Site value at 32%	£33,600	
Section 15 rent at 7%	£2352	
YP in perp defd 61.69 years		
at 7%	<u>0.21983</u>	£517.04

Which added to the valuation of the term brings our total valuation to £940. We cannot accept Mr Tucker's contention that because the Landlord purchased the freehold for £2000 this sets the minimum value for that interest for the purposes of the Act. We are also unable to attribute any value to an insurance agency which, by his own admission, the Landlord has not previously enjoyed.

So far as legal costs are concerned it is the Tribunals' view that at the present time a reasonable fee for the work involved with a registered title and the completion of the necessary transfer is £250, there being no particular complication attaching to a sale of part of a title.

Accordingly, we determine the price to be paid by the Tenant for the freehold in the subject property at £940 plus the Landlord's reasonable legal costs calculated in accordance with Section 9(4) Leasehold Reform Act 1967 and Schedule 22 Rule 1(5) Housing Act 1980 at no more than £250 plus VAT if application and a registry office copy fee.



John Bettinson
CHAIRMAN

26 NOV 2002