

**LEASEHOLD VALUATION TRIBUNAL
OF THE
MIDLAND RENT ASSESSMENT PANEL**

Our Ref: M/EH 2358c

DECISION OF LEASEHOLD VALUATION TRIBUNAL

*ON AN APPLICATION UNDER SECTION 21 AND SECTION 21 (1) (ba)
OF THE LEASEHOLD REFORM ACT 1967*

Applicant: Mr & Mrs Richardson

Respondent: Mr G Hussain

Re: 67 Bower Lane, Rugeley, Staffordshire, WS15 2RD

Date of Tenants Notice: 24 October 2001

Application to Tribunal dated: 3 January 2002

Heard at: The Panel Office

On: 19 December 2002

APPEARANCES:

For the Applicant: Mr J Moore MA – Midland Valuations

For the Respondent: Not Represented

Members of the Leasehold Valuation Tribunal:

Mr N R Thompson FRICS
Mr J H Dove
Mrs M A L McKenzie JP

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL
ON AN APPLICATION UNDER SECTION 21 AND 21 (1) (ba) OF
THE LEASEHOLD REFORM ACT 1967**

IN THE CASE

OF

RICHARDSON v HUSSAIN

**67 BOWER LANE
RUGELEY
STAFFORDSHIRE
WS15 2RD**

Reference : M/EH2358c

Background

This a determination under Section 9 of the Leasehold Reform Act 1967 (as amended) as to the price to be paid for the freehold interest in respect of a semi-detached house, 67 Bower Lane, Rugeley, Staffordshire, WS15 2RD. The Lessees, Mr. & Mrs. P Richardson hold the property by way of a Lease dated 22nd July 1966 for a term of 99 years from 25th March 1965 at a yearly ground rent of £21. The Tenant's Notice of Claim to acquire the freehold interest was dated 24th October 2001, when approximately 62.5 years of the term remained unexpired. The Tribunal accepted that the qualifying conditions for entitlement to enfranchise under the Act had been fulfilled.

Property

The Tribunal inspected the property on 19th December 2002 in the presence of Mrs. Richardson. The property comprises a two storey semi-detached house of brick and tile construction, overlooking open countryside on the northern outskirts of Rugeley, and within reasonable distance of the town's amenities.

The centrally heated and partially double glazed accommodation comprises an Entrance formed from the enclosure of part of the original carport; Lobby leading to Playroom/Study and the main original accommodation of Hall; Living Room and Kitchen on the ground floor, with three Bedrooms and a combined Bathroom/W.C. on the first floor. Externally the property has both front (hard landscaped) and rear gardens as well as a side pedestrian access. The site of the subject property has a road frontage of approximately 7.77 metres and an area of circa 234 square metres.

Hearing

At the Hearing the Lessees were represented by Mr. J. Moore MA of Midland Valuations Ltd. The Landlords were not represented.

The Hearing commenced with Mr. Moore introducing his case on behalf of the Lessees by submitting details of the property and the following valuation:-

Term

Annual Ground Rent :	£21	
YP 62.5 years @ 7%	<u>14.077</u>	
		£295.62

Reversion

Entirety Value :	£85,000	
Site Value @ 33% :	£28,050	
Sec.15 Rent @ 7% :	£ 1,963.5	
YP deferred 62.5 years @ 7% :	<u>0.208</u>	
		£408.41
		£704.03
		say <u>£704.00</u>

In support of his Entirety Value, Mr. Moore referred to the sale in November 2001 (one month after the date of the Notice of Claim) of a comparable three bedroomed semi-detached houses at 103 Bower Lane at £85,000. In addition, Mr Moore referred to negotiated settlements with Graham Boardman & Co. Chartered Surveyors, in respect of two other comparable semi detached properties in Bower Lane at the same figure.

In relation to his adopted yield of 7%, Mr Moore considered that this was a generally accepted rate in cases such as this, and had been widely adopted by the Tribunal and the Lands Tribunal.

Mr Moore quoted three recent cases before the Tribunal as supporting the adoption of 33% of the Entirety Value for the Site Value (M/EH2437c; M/EH2446c and M/EH2423c – all involving semi detached houses having site frontages of between 23.5 – 26.5 feet and site areas of between 270 and 292 square yards).

Costs

On the subject of the Landlord's legal costs, Mr. Moore suggested a reasonable fee for the conveyancing work involved would be £225 (plus VAT if applicable) and disbursements. The freehold title was registered and he cited four recent Tribunal decisions (M/LRC 419; M/LRC 385; M/LRC372, and M/LRC478) as authority for the adoption of that figure.

In relation to the Landlord's valuation fees, Mr. Moore submitted that as no valuation of the property had been carried out prior to the application to the Tribunal on 3rd January 2002, then the Landlords were not entitled to recover any valuation costs from his clients.

Decision

1 – Freehold

The Landlords not having submitted any written representations to the contrary, the Tribunal saw no reason to disagree with Mr. Moore's valuation.

The Tribunal therefore determined that the price to be paid for the freehold of the subject property should be £704.

2 – Costs

In relation to costs, the Lessee's application for a determination is pursuant to Section 21 (1) (ba) of the Leasehold Reform Act 1967 as the freeholder's reasonable costs payable under Section 9 (4) of that Act and Schedule 22 Part 1 (5) of the Housing Act 1980.

Legal:

In cases of this type the conveyancing is normally of a very straightforward nature which many Solicitors are prepared to undertake on a competitive basis. A reasonable charge is therefore considered to be £225 (excluding VAT) plus any Land Registry fee for Office Copies.

Valuation:

In the absence of any evidence that a valuation has been undertaken by or on behalf of the Landlords in consequence of the Tenant's Notice and prior to the date of the reference to the Tribunal, no valuation costs are payable by the Lessee pursuant to Section 9 (4) (e) of the Act.

Nigel R Thompson
Chairman