

**THE RESIDENTIAL PROPERTY TRIBUNAL SERVICE**

**DECISION OF THE MIDLAND LEASEHOLD VALUATION TRIBUNAL  
ON APPLICATIONS UNDER SECTION 21(1)(a) AND 21(1)(ba) OF THE  
LEASEHOLD REFORM ACT 1967**

**Property:** 32 Westway, Pelshall, Walsall, West Midlands WS4 1DL

**Applicants:** Mr V M and Mrs P H Moore (tenants)

**Respondent:** Bickenhall Engineering Company Limited (landlord)

**Heard:** 19 April 2005 at Birmingham

**Appearance:** Mr J Moore of Midland Valuations Limited for the applicants

No appearance for the landlord

**Members of the leasehold valuation tribunal:**

Lady Wilson  
Mr D J Satchwell FRICS  
Mr D Underhill

**Date of the tribunal's decision:**

*20 May 2005*

1. This is an application by the tenants of 32 Westway, Pelsall, Walsall, under section 21(1)(a) of the Leasehold Reform Act 1967 (“the Act”) to determine the price to be paid for the freehold of the property and, under section 21(1)(ba), to determine the landlord’s recoverable costs.
2. The property is a two storey semi-detached house built in the 1950s. As extended by the tenants it has two living rooms and a kitchen on the ground floor and four bedrooms and a bathroom on the first floor, together with an integral garage. The area of the site is approximately 291 square yards. There is parking space for two or three cars at the front of the property and a garden at the rear. The property is subject to a lease for a term of 99 years from 27 August 1956 at a ground rent of £14 per annum, fixed throughout the term. At the valuation date, 2 November 2004, the date of the tenants’ notice of claim, approximately 50 years remained unexpired. The rateable value of the property is such that the valuation falls to be made in accordance with section 9(1) of the Act.
3. Mr J Moore, of Midland Valuations Limited, representing the tenants, wrote on 20 January 2005 to the landlord’s agents, CHP Management Limited, giving his assessment of the price payable for the freehold and the method by which he had arrived at it, and his views as to the landlord’s recoverable costs. He received no reply to that letter and no evidence was submitted on behalf of the landlord in response to the tribunal’s directions.
4. The tribunal inspected the property internally on 19 April 2005, before the hearing.
5. At the hearing, Mr Moore represented the tenants. The landlord did not appear and was not represented.
6. Mr Moore said that although his previous view had been that the entirety value of the property at the valuation date was £200,000, he had reconsidered that part of his valuation in the

light of conversations which he had had with local agents and of the information which had recently come to his attention that 4 Westway, a similar three bedroomed house in good condition, had been sold for £170,000 and that 21 Westway, also very similar to the subject property, was currently for sale for £166,500. He said that he considered that values had not significantly changed between the valuation date and the date of the sale of No 21. He considered that £185,000 was a realistic and fair entirety value because it took account of the fourth bedroom over the garage in the subject property, which fully exploited the site.

7. The other components of Mr Moore's valuation were in accordance with the letter to the landlord's agents. He proposed a site value proportion of 33.3%, which he considered appropriate for the site, and a yield for capitalisation and deferment of 7%. On the question of costs, he said that no valuation appeared to have been carried out by the landlord pursuant to the notice of claim and that a reasonable figure for the landlord's legal costs of conveying the registered freehold title was £275 plus VAT if applicable.

8. We are satisfied that the entirety value proposed by Mr Moore is realistic and we adopt it. We are also satisfied that 33.3% is an appropriate site proportion to arrive at the value of this relatively cramped site, the full potential of which is, we are satisfied, already realised. We have no doubt that 7% is an appropriate yield for this investment, given the length of the lease and the low fixed ground rent.

9. We therefore determine that the price to be paid for the freehold is £2285, based on the following valuation:

Term:

Annual ground rent: £14

