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BIR/00CT/OAF/2004/0330

224 STATION ROAD, WYTHALL, BIRMINGHAM, B47 6ES

**THE LEASEHOLD VALUATION TRIBUNAL
(ENGLAND & WALES) REGULATIONS 1971
CERTIFICATE OF CORRECTION**

I hereby certify that due to a clerical error the information on the decision signed by myself on 19th July 2005 is incorrect and the following paragraph should be added:

“5.6 The Tribunal determines that no valuation fee is payable.”

Chairman *N Jackson*

Date: *25/7/05*



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

**Decision on an application under Sections 21 (1) (a) and Section 21 (1)
(ba) for determination of the Leasehold Reform Act 1967 for the price
payable for a house under Section 9 of the 1967 Act and the amount of
any costs payable under
Section 9 (4)**

Applicant: Mr RJ and Mrs CA Bradley

Respondent: Mansal Securities Limited

Property: 224 Station Road
Wythall
Birmingham
B47 6ES

**Date of Notice Exercising the Right to
Acquire the Freehold:**

Appearances: For the applicant - Mr A Brunt FRICS
For the respondent - not represented

**Members of the Leasehold Valuation
Tribunal:** Miss T N Jackson BA Law (Hons) Chair
Mr M Williams FRICS
Mr D Underhill

Date of Determination:

Background

This is a decision on an application under Section 21 (1) (a) of Leasehold Reform Act 1967 for the determination of the price payable under Section 9 of the 1967 Act for the freehold interest in the subject property. There is a further application under Section 21 (1) (ba) of the 1967 Act for determination of the amount of any costs payable under Section 9 (4) of the 1967 Act.

The subject property is held under a lease dated 9 July 1975 for a term of 99 years from 25 December 1971 at an annual ground rent of £50 per annum. The applicant gave notice of tenants claim to acquire the freehold on 9 September 2004. As at the relevant date, the lease had an unexpired term of 66 ¼ years.

2. **Subject Property**

2.1 The property comprises a 2 storey linked detached dwelling of traditional construction of brick with a pitched and tiled roof. There is a single story garage with a flat felted roof. The house is in the countryside in a popular location and occupies a corner plot at the junction with The Spinney. It is well set back from Station Road behind its foregarden and a grassed reservation to the highway. It enjoys a return frontage garden and enclosed rear garden. The property comprises on the ground floor porch, entrance hall, fitted cloakroom, front dining room, rear sitting room and fully fitted kitchen. The first floor comprises landing, 3 bedrooms and a bathroom with full suite. The property is fully gas central heated with part double glazing. The property is located in Wythall an attractive semi-rural suburb of Birmingham approximately 9 miles from the city and is conveniently located for the motorway and railway station with local amenities immediately opposite.

3. **Inspection and Hearing**

3.1 The Members of the tribunal inspected the subject property on 9 May 2005 in the presence of the applicants.

3.2 The hearing held on the same day was attended by Mr Brunt FRICS representing the applicant.

4. **Evidence and Submission on behalf of the Applicant**

4.1 Mr Brunt submitted that the standing house value of the subject property was £250,000. He provided details of 218 Station Road which had been on the market for £249,950 and where a sale had been agreed in September 2004 for a price of £245,000. Mr Brunt submitted that there was potential to improve and extend the subject property and on that basis he considered that the standing house value for the subject property should be £250,000.

4.2 Mr Brunt submitted that the site apportionment value should be 35% and that the yield rate should be 7% as both of these figures reflected figures which had been determined by tribunals and also in his experience of negotiated settlements.

4.3 In cross examination Mr Brunt confirmed that he did not know if the sale of 218 Station Road had been completed. Mr Brunt confirmed that in his view a corner plot would generally be more in demand than a non corner plot. He submitted that the site was easily developable although it had a shallow frontage at 27 feet.

4.4 In relation to site apportionment, whereas he was aware on a previous case that site apportionment had been increased to 37 ½ %, on sites of this nature his experience was that 35% had regularly been adopted and that a higher percentage would only be appropriate if there was something specific about the site which in his opinion was not the case with the subject property.

4.5 Mr Brunt accepted that the comparable of 218 Station Road had been extended. However, he considered that the subject property had a standing value of £250,000 to reflect that it was not extended but that it was a corner plot which in his opinion led to a higher value.

4.6 In relation to costs, Mr Brunt submitted that the applicant had not heard from the freeholder or a valuer. The tenant had no knowledge of any valuation having been carried out and therefore he submitted that no valuation fee was payable. In respect of legal fees, although his experience was that legal fees had been increasing over the last year, there was still strong competition for conveyancing work and he was aware that on a transfer of registered title, a figure of £250 plus VAT and disbursements was being charged.

5. Tribunals Determination

5.1 The Tribunal gave full consideration to the evidence and submissions on behalf of the parties. Using its general knowledge and experience (but no special knowledge) of property prices in the locality of the subject property, and taking into account the positive and negative features of the subject property with all other relevant factors and considerations, the Tribunal determines the standing house value of the subject property at the relevant date was £250,000. The Tribunal determines the site apportionment figure and yield rate to be 35% and 7% respectively.

5.2 Adopting the figures in relation to the entirety value and the respective percentage yield rates, and applying figures of years purchase from Parry's Valuation Tables, the Tribunal calculates the price payable as follows:

(i) Capitalisation of Existing Ground Rent

Ground rent payable	£50 per annum
Years purchase: 66 ¼ years at 7%	<u>14.1241</u>
	£706.21

(ii) Reversion

Standing house value of the subject property	£250,000
Percentage attributable to site at 35%	£87,500
Section 15 modern ground rent at 7%	£6125
Years purchase at 7% in perpetuity deferred 66 ¼ years	0.1616
Capitalised modern ground rent: [£6125 x 0.1616]	£989.80
	TOTAL
	£1696.01

(say £1696)

5.3 The addition of a capitalised existing ground rent of £706.21 and a capitalised modern ground rent of £989.80 produces a figure of £1696 rounded down to the nearest pound.

5.4 Accordingly the Tribunal determines the price payable under Section 9 of the 1967 Act for the freehold interest in the subject property at £1696.

5.5 The Tribunal determines that the legal costs payable to be £250 plus VAT (if applicable) and disbursements.

N Jackson

N Jackson (Chair)

Dated **19 JUL 2005**