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LEASEHOLD VALUATION TRIBUNAL  
OF THE  
MIDLAND RENT ASSESSMENT PANEL

Ref: BIR/41UD/OAF/2005/0133

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL  
ON AN APPLICATION UNDER SECTION 21 OF THE LEASEHOLD REFORM ACT 1967

**Applicant:** Miss. S.J. Irvine (leaseholder)

**Respondent:** Riverside Investment Properties Ltd (freeholder)

**Subject property:** 48 Chapel Lane  
Lichfield  
Staffordshire  
WS14 9BQ

**Date of tenant's notice:** 7 March 2005

**Application to the LVT:** 6 June 2005

**Hearing:** 27 October 2005

**Appearances:**

For the Applicant: Mr. J. Moore of Midlands Valuations Ltd

For the Respondent: The Respondent did not appear

**Members of the LVT:** Mr. A. P. Bell MA LLB  
Mr. M. Williams FRICS  
Mr. D. Underhill

**Date of determination:** 15 NOV 2005

## **Introduction**

1. This is a decision on an application under the Leasehold Reform Act 1967 ("the 1967 Act") made to the Leasehold Valuation Tribunal by Miss S.J.Irvine, the leaseholder of the house and premises at 48 Chapel Street Lichfield Staffordshire WS14 9BQ ("the subject property"). The application is under section 21(1) of the 1967 Act for the determination of the price payable under section 9 of the 1967 Act for the freehold interest in the subject property and the amount of the Respondent's legal costs.
2. The subject property is held under a Lease dated 3 July 1981 for a term of 99 years from 25 March 1978 at a current annual rent of £45 until 24 March 2028, an annual rent of £60 from 25 March 2028 until 24 March 2053 and an annual rent of £75 from 25 March 2053 until 24 March 2077. The unexpired term at the effective date of the tenants' claim to acquire the freehold ("the relevant date") was 72 years.
3. The Applicant served on the Respondent a tenant's notice dated 7 March 2005 claiming to acquire the freehold interest in the subject property under the terms of the 1967 Act, and she subsequently made the present application.
4. The Tribunal accepts that the qualifying conditions for enfranchisement under the 1967 Act are satisfied.

## **Subject property**

5. The property comprises a modernised and refurbished Victorian terraced house on an average sized plot in an established residential area a short distance from the town centre of Lichfield. The house is a two storey brick construction with rendered elevations and a pitched tiled roof. The house itself measures 12 foot 8 inches at the front and 17 foot eleven inches at the rear. There is hardstanding for car parking at the front of the subject property and a pedestrian right of way to the garden at the rear.
6. The accommodation comprises a porch, livingroom and kitchen/dining area on the ground floor and a landing, a double bedroom, a single bedroom/ boxroom and a bathroom/ wc on the first floor.

## **Inspection and hearing**

7. The Tribunal inspected the subject property on 27 October 2005 in the presence of the Applicant and they also inspected externally the town houses in Gilbert Street Lichfield referred to by the Applicant's representative in his letter of 25 October 2005.
8. The subsequent hearing was attended by Mr.J. Moore representing the Applicant. The Respondent did not attend and was not represented.

## Representations of the parties

9. Mr. J. Moore referred the Tribunal to a town house at 54 Gilbert Street Lichfield with similar accommodation to the subject property, which was the only comparable property that he had been able to find in Lichfield which had been the subject of a recent sale. Mr. Moore stated that 54 Gilbert Road had recently been sold, subject to contract, for £115,000. He submitted that the subject property had a higher value than 54 Gilbert Street by virtue of being both nearer the town centre and also in a more desirable location. Mr. Moore valued the subject property at the relevant date at £125,000. Mr. Moore's valuation in accordance with section 9(1) of the 1967 Act was as follows:

### Term:

Current Ground rent:	£45 per annum	
YP 23 years @ 7%:	11.272	£507.24
Ground rent from 2028:	£60 per annum	
YP 25 years def 23 years @7%:	2.46	£147.60
Ground rent from 2053:	£75 per annum	
YP 24 years def 48 years @7%:	0.446	£33.46

### Reversion:

Entirety value	£125,000	
Site apportionment (30%)	£ 46,700	
Section 15 modern ground rent @ 7%	£2,625 per annum	
YP deferred 72 years @ 7%	0.109466	<u>£287.35</u>
		£975.65

10. No representations were received from the Respondent.

## Decision

11. The Tribunal agree with Mr. Moore that the subject property is in a better location than 54 Gilbert Street referred to by Mr. Moore in his submissions. 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 and all other relevant factors and considerations, the Tribunal agrees with Mr. Moore that the standing house value of the subject property at the relevant date was £125,000 and determines accordingly. The Tribunal also agrees that the appropriate percentage to be applied to the standing house value in calculating the value of the subject property should be 30 % and that the percentage yield rate to be applied at all stages of calculating the value of the subject property should be 7% in the absence of any evidence produced to the Tribunal which would justify a different rate being applied.

12. Accordingly the Tribunal determines the price payable by the Applicant under section 9 of the 1967 Act for the freehold interest in the subject property at £976 (rounded up to the nearest pound) in accordance with the calculation made by Mr. Moore referred to in paragraph 9 above, and also determines that the sum of £275 plus VAT (if applicable) and the cost of the official entries at the Land Registry (if applicable) should be awarded for the Respondent's legal costs

*A.P. Bell*

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A P Bell  
Chairman

Dated 15 NOV 2005