

RESIDENTIAL PROPERTY TRIBUNAL SERVICE

Southern Rent Assessment Panel &
Leasehold Valuation Tribunal

Case No: CHI/24UD/OAF/2008/0006
Re: Section 27, Leasehold Reform Act 1967

Address: 8 POUND ROAD
BURSLEDON
SOUTHAMPTON, HANTS
SO31 8FE

Applicant: WALTER CHARLES EDWARDS
(the lessee)

Respondent: UNKNOWN
(the freeholder)

Applicant's representatives

Paris, Smith & Randall. Solicitors

C L Beamish MBA, FRICS. DMA Chartered Surveyors

Date of Directions: 9th July 2008

Date of Inspection: 19th August 2008

Date of decision: 28th August 2008

DETERMINATION: The price payable is £1.00

Member of the Tribunal

D M Nesbit JP FRICS FCI Arb

1. Introduction

- 1.1 This is an application by Mr Walter Charles Edwards, the current lessee, for determination of the price to be paid for the freehold in accordance with the Leasehold Reform Act 1967 ('the Act').
- 1.2 The application arises following the Order dated 7th April 2008 in the Southampton County Court that the claimant, Mr W C Edwards, was entitled to have vested in him the freehold of the premises pursuant to Section 27, of 'the Act'.
- 1.3 The Order required that the appropriate sum to be paid shall be determined by this Tribunal, and the effective date was to be 7th December 2007.
- 1.4 The original application was made to the Court as the freeholder is missing and unknown. The current tenant is in occupation under the terms of a lease dated 25th January 1871 for a term of 1,000 years from 29th September 1870, at the yearly rent of one shilling (now 0.5p).
- 1.5 The Applicant's solicitors, Paris Smith & Randall of Southampton, agreed that the matter be dealt with by this Tribunal on the basis of written representations and without a Hearing.
- 1.6 In accordance with the Leasehold Valuation Tribunals (Procedure) (England) Regulations 2003, No 13 (5), the functions of the Tribunal may be exercised by a single member of the Panel appointed as a Chairman.

2. Inspection

- 2.1 The Tribunal inspected the property by prior arrangement accompanied by the Applicant's surveyor, Mr C Beamish. The Applicant, Mr Edwards, who is elderly, was unwell and not present, but was represented by his daughter Ms Miriam Hardy.
- 2.2 Pound Road is located off Hamble Lane, Bursledon, and an established residential area. The property occupies a triangular shaped plot on the north side and with a southerly aspect. There is a vehicular access and driveway from Pound Road. There is an old detached garage and a separate greenhouse in the front garden.
- 2.3 The property is a semi-detached house at the rear of the plot, of brick construction with pebbledash rendering to the upper walls under a modern tiled roof. There is a single storey rear addition. Front bays had been extended to the property across the width of the house. That work had apparently been undertaken some 40 years ago.
- 2.4 Internally the property comprises, on the ground floor, hall, dining room leading to an inner lobby with bathroom and WC, there is a rear kitchen with sink unit and a door to the rear. There is a front lounge and a double bedroom. On the first floor are two double bedrooms, and a former box room, now converted to a bathroom with shower, WC suite and hand basin.

- 2.5 Following enquiries, the Tribunal was advised that improvements had been undertaken by the present lessee, including the single storey rear extension to provide a kitchen and rear ground floor bedroom, works to create the front bay windows, the conversion of the first floor box room to a bathroom, the installation of central heating and the construction of the timber garage.

3. **Applicant's Evidence**

- 3.1 The case papers included a short report dated 12th June 2008 prepared by Mr C L Beamish MBA, FRICS, MIRPM, DMA Chartered Surveyors of Eastleigh, in support of his original valuation dated 3rd January 2008.
- 3.2 Mr Beamish outlined the basis of the price to be paid under Section 27 of 'the Act'. He reviewed information relating to the lease terms, though the original lease had been lost, general information had been included in the Assignment to the present lessee. The lease has 862 years unexpired, with a fixed ground rent for the whole of the remainder of the term of one shilling (0.5p) per annum. Mr Beamish had undertaken valuations on both an original valuation basis and a special valuation basis, full details of which are attached and form part of this decision.
- 3.3 The resultant valuation was 0.83p, which Mr Beamish had rounded up to a nominal £1.

4. **Consideration**

- 4.1 This is a property currently neglected, and as noted, improvements have been undertaken by the tenant lessee, which would normally be disregarded for valuation purposes having regard to the terms of 'the Act'.
- 4.2 Whilst the lease is missing, the basic lease terms are known. The freeholder's interest is to receive a ground rent of one shilling (0.5p) per annum, with an ultimate reversion, but deferred 862 years.
- 4.3 The current ground rent is of nominal value only, with the costs of recovery doubtless being excessive.. In valuation terms, the reversion to the current capital value of the house is valueless, due to the considerable length of unexpired term.
- 4.4 Whilst noting Mr Beamish's opinion of the current open market value of the property, that would appear to be optimistic and excessive and was not supported by any other comparable market evidence. The actual capital value is not, however, important, as the value of the reversion would still be a nil figure.
- 4.5 It is noted and accepted that there would be no marriage value applicable where the unexpired lease terms exceeds 80 years.

5. **Determination**

- 5.1 On consideration of the case papers, the inspection, the expert's valuation evidence and a general consideration of the matter, it is confirmed that the price payable for the freehold interest in accordance with the terms of the Act shall be £1 (one pound).
- 5.2 It is noted in the terms of the Court Order, the Applicant upon paying into Court the sum assessed by this decision, shall be entitled through his solicitors to execute the conveyance vesting the freehold in a form to be approved by the Court.

Dated: 28th August 2008

(signed)

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DAVID M NESBIT JP FRICS FCI Arb
A Member of the Tribunal
appointed by the Lord Chancellor