

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**

Southern Rent Assessment Panel &  
Leasehold Valuation Tribunal

RE: SECTION 21 (1)(A), LEASEHOLD REFORM ACT 1967

Case No: CHI/24UD/OAF/2008/0013

Address: 13 STATION ROAD  
NETLEY ABBEY  
SOUTHAMPTON, HANTS  
SO31 5DU

Applicants: GROVETOWNS LIMITED  
(the lessees)

Respondent: UNKNOWN  
(the freeholder)

Applicant's representatives

Chivers Easton Brown Solicitors

H Gross FRICS, Chartered Surveyor. Goadsby & Harding, Bournemouth

Date of Directions: 8<sup>th</sup> December 2008

Date of Inspection: 6<sup>th</sup> January 2009

Date of decision: 13<sup>th</sup> January 2009

DETERMINATION: The price payable is £53.00

Member of the Tribunal

David M Nesbit JP FRICS FCI Arb

## **1. Introduction**

- 1.1 This is an application by Grovetowns Limited, the current lessees, 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 17<sup>th</sup> October 2008 by District Judge, S Gold, in the Kingston-upon-Thames County Court that the claimants, Grovetowns Limited, were entitled to a Vesting Order for the freehold of the property at a price to be determined by the Leasehold Valuation Tribunal, subject to approval of the conveyance by the Court.
- 1.3 The date of the application to the Court was 18<sup>th</sup> July 2008. The valuation accompanying the application was dated 23<sup>rd</sup> June 2008.
- 1.4 The original application was made to the Court as the freeholder is missing and unknown. The original lease dated 12<sup>th</sup> March 1881 was for a term of 947 years from 25<sup>th</sup> March 1881. The annual ground rent was noted as £4.00 p.a.
- 1.5 The Applicant's solicitors, Chivers Easton Brown of Tolworth, Surrey, informed their valuer that the original document was illegible and no copy has been provided.
- 1.6 The Applicants' solicitors agreed that the matter be dealt with by this Tribunal on the basis of written representations and without a Hearing.
- 1.7 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. The occupier, Mr Michael H Tucker, was present and provided access to all parts of the property. The file papers confirmed that Mr Tucker had succeeded to the tenancy following the death of his mother in 2003.
- 2.2 Netley Abbey is a residential area in South East Hampshire, fronting Southampton Water and close to the City of Southampton. Station Road, as its name implies, links Netley railway station to the mixed residential and business area.
- 2.3 The property comprises a two storey mid-terrace house in a group of three similar houses built circa 1890 which, together with a pair of older semi-detached houses, forms a terrace of five houses. The property is of traditional brick construction under a more modern interlocking tiled roof. There is a two storey rear addition, but at a lower level from the main building. There is a single ground floor front bay window, and a small front garden. There is a long rear garden which narrows by the rear boundary. There is no garage, vehicular access or parking space.

- 2.4 The property comprises internally on the ground floor, entrance hall, front lounge with bay window, rear dining room, with step down to a kitchen with sink unit. There is a lean-to conservatory with external WC and external coal store. There is access to the rear garden. On the first floor is a front double bedroom, there is a rear double bedroom with access via a step down to a rear room, now converted to a bathroom with fitted bath, pedestal hand basin, low flush WC suite and a fitted gas water heater.
- 2.5 At the inspection the Tribunal enquired as to improvements that may have been undertaken, either by the present occupant, or the landlord. Mr Tucker confirmed that repair works had been undertaken about 2006 by the landlords, to include replacement of the first floor hand basin. Mr Tucker also confirmed that the gas water heater in the bathroom was the landlords, as was the single drainer sink unit in the kitchen. Some windows had been replaced with UPVC units, and it would be accurate to assume that in the past the first floor bathroom with WC had been created from a former third bedroom. There was no central heating or space heating. The tenant confirmed the gas fire in the front lounge was his property.
- 2.6 At the inspection the Tribunal noted a pathway behind the five properties, 7 – 15 Station Road, which was a communal right of access and which Mr Tucker confirmed was in use by the various occupants, particularly for the regular refuse collection. It was noted each of the properties had access gates within their boundary fencing to facilitate access.

### **3. Applicant's Evidence**

- 3.1 The case papers included a detailed valuation report dated 23<sup>rd</sup> June 2008 prepared by Mr H Gross FRICS, Chartered Surveyor, Goadsby & Harding of Bournemouth. That report is the formal evidence on behalf of the Applicant in respect of the determination of the freehold price.
- 3.2 I have carefully and fully reviewed the valuation of Mr Gross. The valuation is detailed, prepared for Court purposes, and in accordance with RICS Guidelines. The report indicates the enquiries made by Mr Gross appropriate to valuations as required under the 1967 Act, in relation to the "house", the unexpired lease terms, and an assumption as to the appropriate rateable value qualification.
- 3.3 Mr Gross's enquiries indicated it was possible that £4.00 per annum may have been the ground rent for the terrace of five properties, but he assumed for his valuation that £4.00 is the annual ground rent for the subject property. Mr Gross refers to the shared rear access pathway.
- 3.4 The valuation by Mr Gross was prepared in June 2008 when, at that time, the local property market in South East Hampshire was significantly different from current market conditions, which have been seriously affected by credit restrictions and, in effect, a significant recession. Open market values used as a guide by Mr Gross would be substantially higher than at present, though the Tribunal noted at the inspection that the adjoining property, 15 Station Road, is currently for sale at £195,000, the sale price apparently for 2007.

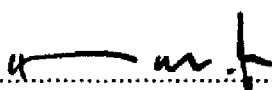
- 3.5 Mr Gross adopted a valuation approach of capitalising the annual ground rent of £4.00 for the remaining unexpired term of nearly 820 years, at a rate of 7.5%. That produced a value of £53.33. Mr Gross undertook a valuation of the reversion on the basis of a notional rent of the site value and which produced a valuation of £0.00.
- 3.6 The full valuation, together with all papers submitted by the Applicants to the Court, are included in the case papers now held by the Tribunal.

#### **4. Consideration**

- 4.1 This is a tenant occupied late Victorian terrace house and, as noted, improvements have been undertaken both by previous long leaseholders and occupiers, which would normally be disregarded for valuation purposes having regard to the terms of 'the Act'.
- 4.2 Whilst the original lease has not been produced, the basic lease terms are known. The freeholder's interest is to receive a ground rent of £4.00 per annum, with an ultimate reversion deferred for 819 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 Mr Gross's opinion of the open market value in June 2008 is noted, the supporting evidence is limited. Information relating to the adjoining property, 15 Station Road, is relevant having regard to the similar nature of the property and the effect of the shared rear pathway access.
- 4.5 It is noted and accepted that there would be no marriage value applicable where the unexpired lease terms exceeds 80 years. The value of the reversion as confirmed within the valuation is a nil figure.

#### **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 £53.00 (fifty three pounds).
- 5.2 It is noted from the case papers that the conveyance of the freehold to the Applicants will be at the price determined by this Tribunal, but subject to approval by the Court. Such conveyance will require reference to the shared rear pathway affecting this and adjoining properties.

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

Dated: 13<sup>th</sup> January 2009