

**RESIDENTIAL PROPERTY TRIBUNAL LEASEHOLD VALUATION TRIBUNAL FOR THE SOUTHERN RENT ASSESSMENT PANEL**

**LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993 SECTION 26**

**REFERENCE: CHI/24UL/OCE/2009/0029**

**PROPERTY: 16, BRIGHTON ROAD, ALDERSHOT, HAMPSHIRE, GU12 4HQ**

**PARTIES: JULIE ANN HUGHES (16A) GARY JOHN CHAPMAN & JAMES LINCOLN GRIFFEN (16B)  
Applicants**

**ELEANOR MAY GIBBS  
Respondent**

**Appearances:**

**For the Applicant: Mr R Heald FRICS of Wallakers Chartered Surveyors**

**For the Respondent: No Appearance**

**Date of Order: 18<sup>th</sup> April 2009**

**Date of Hearing: 8<sup>th</sup> September 2009**

**Tribunal: Mrs H C Bowers BSc (Econ) MRICS MSc (Chair)  
Miss C Barton BSc(Est Man) MRICS**

**Decision Date: 5<sup>th</sup> October 2009**

**DECISION**

- 1. The premium payable for the freehold interest in 16, Brighton Road, Aldershot, Hampshire, GU12 4HQ is £17,300 plus a sum of £450 to reflect ground rent for the whole building that had not been collected for the past 15 years. The full explanation as to the various components that make up this figure are found in the reasons below.**

## REASONS

### A. BACKGROUND

1. In an order by District Judge James of the Aldershot and Farnham County Court, dated 29<sup>th</sup> December 2008 dispensation was given for the service of an Initial Notice under section 13 of the Leasehold Reform and Urban Development Act 1993 (the Act) in respect of 16, Brighton Road, Aldershot (the subject property). It was further ordered on 18<sup>th</sup> April 2009 that the terms of the collective enfranchisement of the subject property should be determined by the Leasehold Valuation Tribunal and that the Tribunal should approve the form of transfer.

### B. INSPECTION

3. The Tribunal carried out an inspection of the subject property on 8<sup>th</sup> September 2009. The subject property is a conversion of a two storey, semi-detached house into two flats.
4. The ground floor flat comprises a living room, a double bedroom, kitchen and bathroom with WC. The flat has the benefit of central heating and full double glazing. The rear garden is demised to the ground floor flat. The first floor flat comprises a living room, one double bedroom, kitchen and bathroom with WC. This flat has full central heating and double glazing throughout.
5. There was a small garden to the front of the property with off street parking for one car. There was a side entrance to the rear garden.

### C. HEARING

6. A hearing was held on 8<sup>th</sup> September 2009 in Farnborough. The hearing was attended by Mr Heald and Miss Hughes of 16A Brighton Road.

### D. APPLICANTS' CASE

7. The Tribunal had the benefit of a valuation report prepared by Mr Heald of Messrs Wallakers. At the hearing Mr Heald confirmed that as far as he was aware the terms of the two leases were in an identical format. The leases for each of the flats were for a period of 99 years from 1<sup>st</sup> July 1980 at a rent of £15 per annum.
8. In his valuation Mr Heald had adopted a capitalisation rate of 7% for the fixed ground rent. A 5% deferment rate was adopted to reflect the House of Lords' decision in Sportelli. From evidence of recent transactions in the area, Mr Heald was of the opinion that the long leasehold value of each of the flats would be £120,000. With an unexpired term of 70¼ years at the valuation date it was suggested that a relativity of 89% would be appropriate. A copy of Mr Heald's valuation is attached to this decision in Appendix A.
9. In response to questions from the Tribunal it was stated that there had been no collection of the ground rent for the last 15 years. At a rate rent of £30 per annum for

the whole building, it was suggested that it would be appropriate that a total sum of £450 should be added to the premium to be paid for the freehold interest.

**E. RESPONDENT'S CASE**

10. As this is a missing landlord case, there were no representations from the Respondent.

**F. TRIBUNAL'S DECISION**

11. The Tribunal considers that there was no evidence available to support a departure from the deferment rates set out in the Sportelli decision. Accordingly the Tribunal determines that a deferment rate of 5% should be adopted in this case.
12. The ground rent in this case is fixed at a relatively low level. The capitalisation rate suggested by Mr Heald is not unreasonable and accordingly the Tribunal accepted his proposed rate of 7%.
13. Mr Heald did not provided the Tribunal with any market evidence as to the value of long leases interests of the flats in the subject property. However, from the Tribunal's own knowledge of capital values in the immediate location, the Tribunal are of the opinion that the suggested value of £120,000 for the long lease interest in each of the flats is not unrealistic. Accordingly the Tribunal has adopted a long lease value for each flat of £120,000.
14. Finally the relativity of 89% suggested by Mr Heald is within the range one would normally anticipate for leases with an unexpired term of just over seventy years. The Tribunal are satisfied that this figure should be adopted.
15. In conclusion the Tribunal determine that the price payable for the freehold interest is £17,300 as suggested by Mr Heald. In addition the Tribunal determine that a figure of £450 is also payable by the Applicants in respect of the backdated ground rent for the last 15 years.

Chairman:  
Helen C Bowers



Date: 5-10-09

VALUATION - 16 BRIGHTON ROADFREEHOLDERS INTERESTTERM:

	£30.00	
x YP 70 ¼ YEARS @ 7%	14.162	
	<hr/>	£424
REVERSION TO	£240,000	
x PV 70 ¼ YEARS @ 5%	0.0325	7,800
	<hr/>	<hr/>
		£8,224 (A)

LESSEES INTEREST

89% OF £240,000 (C) = £213,600 (B)

MARRIAGE VALUE C - (A + B)

$$£240,000 - (£8,224 + £213,600) = £18,176$$

VALUATION:  $£8,224 + \frac{£18,176}{2} = £17,312$

SAY: £17,300

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**Tribunal: Mrs H C Bowers BSc (Econ) MRICS MSc (Chair)  
Miss C Barton BSc(Est Man) MRICS**

**Decision Date: 5<sup>th</sup> October 2009**

**AMENDED DECISION**

- 1. The premium payable for the freehold interest in 16, Brighton Road, Aldershot, Hampshire, GU12 4HQ is £17,300 plus a sum of £90.00 to reflect ground rent for the whole building that had not been collected for the past 6 years. The full explanation as to the various components that make up this figure are found in the reasons below.**

## **REASONS**

### **A. BACKGROUND**

1. In an order by District Judge James of the Aldershot and Farnham County Court, dated 29<sup>th</sup> December 2008 dispensation was given for the service of an Initial Notice under section 13 of the Leasehold Reform and Urban Development Act 1993 (the Act) in respect of 16, Brighton Road, Aldershot (the subject property). It was further ordered on 18<sup>th</sup> April 2009 that the terms of the collective enfranchisement of the subject property should be determined by the Leasehold Valuation Tribunal and that the Tribunal should approve the form of transfer.

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14. Finally the relativity of 89% suggested by Mr Heald is within the range one would normally anticipate for leases with an unexpired term of just over seventy years. The Tribunal are satisfied that this figure should be adopted.
15. In conclusion the Tribunal determine that the price payable for the freehold interest is £17,300 as suggested by Mr Heald. In addition the Tribunal determine that a figure of £90.00 is also payable by the Applicants in respect of the backdated ground rent for the last 6 years.

**G. APPROVAL OF TRANSFER DEED**

16. The Applicants requested that the Tribunal approve the terms and form of the Land Registry Transfer Deed which accompanied their application. The Tribunal hereby approves the terms and form of the Land Registry Transfer Deed as drawn without amendment. The approved Transfer is attached to this Decision and signed by the Tribunal Chair.

Chairman:  
Helen C Bowers



Date: 15/11/09

# Land Registry Transfer of whole of registered title(s)

# TR1

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

Leave blank if not yet registered.

Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.

Give full name(s)

Complete as appropriate where the transferor is a company.

Give full name(s)

Complete as appropriate where the transferee is a company. Also, for an overseas company, unless an arrangement with Land Registry exists, lodge either a certificate in Form 7 in Schedule 3 to the Land Registration Rules 2003 or a certified copy of the constitution in English or Welsh, or other evidence permitted by rule 183 of the Land Registration Rules 2003.

Each transferee may give up to three addresses for service, one of which must be a postal address whether or not in the UK (including the postcode, if any). The others can be any combination of a postal address, a UK DX box number or an electronic address.

Place 'X' in the appropriate box. State the currency unit if other than sterling. If none of the boxes apply, insert an appropriate memorandum in panel 11.

1	Title number(s) of the property:
2	Property: 16 Brighton Road, Aldershot, Hampshire GU12 4HQ shown edged red on the attached plan
3	Date:
4	Transferor: Eleanor May Gibbs  <u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:  <u>For overseas companies</u> (a) Territory of incorporation:  (b) Registered number in England and Wales including any prefix:
5	Transferee for entry in the register: (1) Julie Ann Hughes and (2) Gary John Chapman and James Lincoln Griffin  <u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:  <u>For overseas companies</u> (a) Territory of incorporation:  (b) Registered number in England and Wales including any prefix:
6	Transferee's intended address(es) for service for entry in the register: (1) 16a Brighton Road, Aldershot, Hants GU12 4HQ  (2) 16b Brighton Road, Aldershot, Hants GU12 4HQ
7	The transferor transfers the property to the transferee
8	Consideration  <input checked="" type="checkbox"/> The transferor has received from the transferee for the property the following sum (in words and figures):  <input type="checkbox"/> The transfer is not for money or anything that has a monetary value  <input type="checkbox"/> Insert other receipt as appropriate:



Place 'X' in any box that applies.

Add any modifications.

Where the transferee is more than one person, place 'X' in the appropriate box.

Complete as necessary.

Insert here any required or permitted statement, certificate or application and any agreed covenants, declarations and so on.

The transferor must execute this transfer as a deed using the space opposite. If there is more than one transferor, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If the transfer contains transferee's covenants or declarations or contains an application by the transferee (such as for a restriction), it must also be executed by the transferee.

9 The transferor transfers with

- full title guarantee
- limited title guarantee

10 Declaration of trust. The transferee is more than one person and

- they are to hold the property on trust for themselves as joint tenants
- they are to hold the property on trust for themselves as tenants in common in equal shares
- they are to hold the property on trust: as trustees in accordance with the provisions of a Declaration of Trust of even date

11 Additional provisions

11.1 This Transfer is executed in accordance with the provisions of Chapter 1 of the Leasehold Reform Housing and Urban Development Act 1993 and the Transferee is the nominee purchaser of various lessees of flats within the Property

11.2 The Transferee hereby covenants with the Transferor to be responsible for and to keep the Transferor fully indemnified at all times against any actions proceedings claims demands losses costs damages expenses and liabilities made against and/or suffered and/or incurred by the Transferor whether arising before or after the date hereof arising directly or indirectly out of any breaches or non observance of the covenants agreements restrictions stipulations provisions conditions and other matters on the part of the Lessor contained or referred to in the Leases to which the Property are subject and which are registered under Title Numbers HP405011 and HP353570

12 Execution

SIGNED AS A DEED by the District Judge pursuant to an Order of Aldershot & Farnham County Court dated 20th April 2009 in the presence of:-

Witness signature

Witness name

Witness address

Witness occupation

APPROVED by the Southern Leasehold Valuation Tribunal on the 15th day of November 2009  
Malcolm Brown