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**HM Courts
& Tribunals
Service**

DECISION/REASONS OF A

LEASEHOLD VALUATION TRIBUNAL

**APPLICATION UNDER SECTION 21(1)(cza) OF THE LEASEHOLD
REFORM ACT 1967 ('the Act') FOR A DETERMINATION OF THE
APPROPRIATE SUM TO BE PAID INTO COURT UNDER SECTION 27(5)
OF THE ACT**

Applicant: Maureen Elizabeth Jeanes and John Arthur Newton
Applicants' Representative: Alan Davidson AWB Charlesworth LLP
23 Otley Street, Skipton BD23 1DY

Respondent: John Colton unknown address

Property: 14 East Lane, Embsay, Skipton, North Yorkshire
BD23 6QA

Case Number: MAN/36UB/OAF/2012/0010

Chairman: Mr A. Robertson
Mrs E. Thornton-Firkin

Background

- 1 An application dated 20 January 2012 by the Applicants to Skipton County Court was made by the Applicants' Representative for an Order vesting the freehold of the Property in the Applicants, they having been unable to trace the current freeholder in order to serve notice of their wish to have the freehold.
2. The Applicants, through their representative, made an application under Section 21(1)(cza) of the Act to the Leasehold Valuation Tribunal ('the Tribunal') dated 28 June 2012 asking the Tribunal to determine the amount of the appropriate sum to be paid into Court under Section 27(5) of the Act.
3. The Applicants indicated to the Tribunal that they were content for the Tribunal to proceed without an oral hearing.

The Law

4. Section 27(5) of the Act defines the appropriate sum to be paid into Court as the aggregate of the price payable in accordance with Section 9 and the amount of any rent payable which remains unpaid up to the date of the conveyance.
5. In this case, the price payable is as defined in Section 9(1) of the Act, namely, the amount which the house and premises, if sold in the open market by a willing seller, with the tenant or members of his family not buying or seeking to buy, might be expected to realise. Section 9(1)(a) require the assumptions that the Act conferred no right to acquire the freehold and if the tenancy has not been extended under the Act it was to be so extended.
6. The extension referred to in Section 9(1)(a) is that enacted in Section 14 of the Act and is for a term expiring 50 years after the term date of that of the existing term.
7. Section 15 of the Act sets out the terms of the tenancy to be granted on extension and specifically mentions 'ground rent' excluding value of buildings on the site.

The Lease

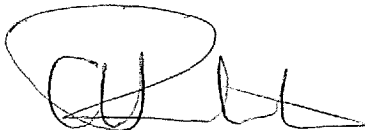
8. A copy of the lease can not be found but an official copy of register of title (title number NUK47178) shows that the Leasehold land being 14 East Lane, Emsbay is held for a term of 200 years created by a lease dated 7 March 1822.
9. There is no indication in the title as to what rent, if any, is payable under the lease, nor any further particulars of the lease.
10. The Tribunal, in the absence of evidence to the contrary, assume that the rent payable is fixed at one peppercorn per annum.

The Submissions

11. The Applicants submitted a copy of the Court Application including Land Registry title documents relating to the freehold interest in the garden land abutting the rear of the premises and the leasehold interest in the Property.
12. Also included were copies of the witness statement and Court Orders and Notices relating to the Applicants efforts to trace the missing freeholder.
13. A valuation report of Andrew Vaux dated 26 January 2012 was also submitted. This detailed report extends to 14 pages and will be quoted from as appropriate.
14. Mr Vaux concluded that an appropriate enfranchisement price as at 5 January 2012 was £16,000.

The Decision

15. There is no rent payable and no evidence as to what ground rent might have been reserved. The Tribunal take the view that the value of the unexpired term is nil.
16. The Tribunal believe that the reversion should be valued by adopting the standing house basis of calculating a Section 15 modern rent ('MGR') and capitalising the MGR in perpetuity deferred 10 years.
17. It is inappropriate to attribute a separate value to the landlord's ultimate reversion (a Haresign addition) in 60 years time as the buildings will then be some 250 years old and at the valuation dated (20 January 2012) the market is unlikely to acknowledge more than site value.
18. A valuation is set out in the attached appendix.
19. The entirety value has been determined with regard to the evidence produced in the comprehensive valuation report of Mr Vaux. He submits details of recent sales in the immediate locality, includes cogent analysis, and the Tribunal is content to accept his valuation of the property of £140,000. This figure has regard to the separate ownership of the rear garden.
20. The figure of 20 per cent attributable to the site (as distinct from the buildings) also has regard to the absence of garden land.
21. The adoption of 5.75% as the appropriate return rate on site value and deferment rate has regard to recent post Sportelli decisions of the Upper Chamber (Land).
22. The Tribunal determines that the price payable under Section 9(1) of the Act is £16,000.
23. The Tribunal determines that there is no appropriate sum to be paid into Court under Section 27(5)(b) of the Act.
24. The appropriate sum to be paid into court under Section 27(5)(a) is £16,000.



Mr A. Robertson
Chairman of the Leasehold Valuation Tribunal
11 September 2012

APPENDIX

VALUATION

<u>Term</u>	£	£	£ Nil
<u>Reversion</u>			
Entirety Value	140,000		
Site Value @ 20%	28,000		
Modern Ground Rent @ 5.75%		1,610	
Y P in Perpetuity @ 5.75% Deferred 10 Years		9.94325	
Freehold Value			16,008.63
	Say		16,000