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Our Ref: M/EH 2330

MIDLAND RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: Mr R W Martin
Respondent: Mr F Khan
Re: 273 Reddings Lane, Sparkhill, Birmingham, B11 4DD
Date of Tenants Notice: 9th April 2001
RV as at 1.4.73: £239.00
Application dated: 4th November 2001
Heard at: The Panel Office
On: 20th March 2002

APPEARANCES:

For the Tenant: Mr D J Young FRICS

For the Landlord: Mr F Khan

Members of the Leasehold Valuation Tribunal:

Mr R T Brown FRICS (Chairman)
Mr D R Salter LLB
Mrs N Jukes

Date of Tribunals decision: - 7 MAY 2002

DETERMINATION OF THE LEASEHOLD VALUATION TRIBUNAL

in respect of

R W MARTIN -V- F KHAN

In respect of

273 REDDINGS LANE, SPARKHILL, BIRMINGHAM. B11 4DD

JURISDICTION

This case follows an application by Messrs A W Smith & Company Solicitors, on behalf of the Lessee Mr Ronald Martin, dated 4th November 2001, for a determination of the price to be paid for the freehold of the above property under section 9 (1) of the Leasehold Reform Act 1967.

The lessee holds the property by way of a lease dated 29th day of June 1971, for a term of 99 years commencing on 25th March 1971 at an annual ground rent of £25.00.

The Lessees' notice of claim is dated 4th September 2001 when there were approximately 69 years unexpired.

The Tribunal inspected the property on 20th March 2001 in the presence of the lessee.

THE PROPERTY

The property comprises:- A middle terrace in a small development constructed in the early 70's in traditional materials and having the following centrally heated accommodation. On the ground floor, porch, hall, living room, kitchen. On the first floor, one single and two double bedrooms, bathroom, with separate w.c. Outside, garage, fore garden and driveway, rear garden.

THE HEARING

At the hearing, Mr D J Young FRICS of David Middleton Chartered Surveyors appeared for the lessee, Mr R W Martin.

The Freeholder, Mr F Khan, appeared in person.

Mr Young presented his valuation to the Tribunal as follows:-

House Value	£90,000
Land Value at 30%	£27,000
Modern Ground Rent at 7%	£1,890 pa

Existing lease term unexpired as at September 2001 69 years at a Ground Rent of £25.00.

Calculation

(a)	Current Ground Rent	£25 pa	
	Years purchase at 7% for 69 years unexpired	<u>14.1516</u>	£354

(b) Modern Ground Rent	£1890 pa	
Years purchase deferred 69 years at 7%	<u>.1341</u>	<u>£253</u>
Valuation of Freehold Interest		£607
Say		<u>£600</u>

As far as entirety value was concerned Mr Young said that the property is located in a mixed residential and industrial area, where there was very little satisfactory comparable evidence for this type of property. He had relied upon his long experience as a valuer and evidence of the sale of an older type semi detached house at 29 Runnymead Road in May 2001 at £96,700 freehold. Runnymead Road is within half a mile of the house.

Site apportionment, Mr Young relied upon recent decisions of the Tribunal in adopting a 30% Yield rate, Mr Young had adopted 7% for both the term and reversion in line with previous decisions of this Tribunal.

Mr Khan, admitting he was unfamiliar with the proceedings before the Tribunal, said that either number 271 or 275 (which are properties developed at the same time) had recently been up for sale for £115,000 and the estate agents selling the property had offered him £2,000 for the freehold.

THE DECISION

1. Entirety Value. The Tribunal prefer the entirety value of £90,000 adopted by Mr Young on the basis of his long experience and the actual supporting evidence of 29 Runnymead Road, to Mr Khan's evidence which appears to be unsupported.
2. Site Apportionment. The Tribunal accepts Mr Young's submission at 30%.
3. Rate of Return. The Tribunal sees no reason to depart from the accepted rate of return of 7%.

THE TRIBUNAL'S VALUATION

Term

Ground Rent	£25.00 pa	
Years Purchase 69 years @ 7%	<u>14.1516</u>	<u>£354</u>

Reversion

Entirety Value	£90,000	
Site Value @ 30%	£27,000	
Section 15 Rent @ 7%	£1890 pa	
Years Purchase deferred years @ 7%	<u>0.1341</u>	<u>£253</u>
		<u>£607</u>

We determine that with the benefit of our inspection, and the use of our knowledge (but not any special knowledge) and experience in the evaluation of the evidence adduced, that the sum to be paid for the freehold interest in the above described property in accordance with section 9 (1) of the Leasehold Reform Act 1967 (as amended) is £607.00 (six hundred & seven pounds).

Signed.....*Robert T Brown*.....
Robert T Brown FRICS
Chairman

Date..... - 7 MAY 2002