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Our Ref: M/EH 2411c

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.M. & Mrs P.T. Gooding
Respondent: Mansal Securities
Re: 238 Station Road, Wythall, Worcestershire, B47 6ES
Date of Tenants Notice: 04th December 2001
RV as at 1.4.73: £330.00
Application dated: 07th February 2002
Heard at: The Panel Office
On: Thursday 30th May 2002

APPEARANCES:

For the Tenant: Mr J. Moore FRICS – Midland Valuations
For the Landlord: Mr Laing FRICS – Mansal Securities Ltd

Members of the Leasehold Valuation Tribunal:

Mr J.R. Bettinson LLD
Mr M. Williams FRICS
Mrs N. Jukes

Date Of Determination:

04 SEP 2002

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL**APPLICATION**

This is a reference to determine the price to be paid by the Tenants Mr. and Mrs. R.H.Gooding for the freehold interest in the property known as 238 Station Road Wythall Worcestershire B47 6ES in accordance with the provisions of the Leasehold Reform Act 1967 as amended. The Tenants hold the property under a Lease dated 30th June 1972 for the unexpired residue of a term of 99 years from 25th December 1971 at a yearly ground rent of £45.

The Tenants' Notice of Claim to acquire the freehold interest was dated 4th December 2001 when some 69 years of the term remained unexpired. The parties accept that the qualifying conditions for enfranchisement under the Act have been met.

INSPECTION

Prior to the Hearing, the Tribunal called to see the property which they found on inspection to be an extended detached house constructed of brick and tile fronting to a quite busy road in the Village of Wythall just south of the Birmingham City boundary. There are gardens to front and rear. The accommodation comprises on the ground floor a hall entrance, kitchen, dining room and two living rooms with an integral garage. On the upper floor are three bedrooms (two with en-suite shower rooms) and a combined bathroom and WC. The site of the subject property has a road frontage of 9.14 metres and an area of some 359.52square metres.

THE HEARING

This was attended by Mr. J.Moore of Messrs. Midland Valuations on behalf of the applicants and by Mr. S.J.M. Laing FRICS on behalf of the Landlords, Mansal Securities Limited. Mr. Moore submitted his valuation as follows :

Term

Ground Rent	£ 45. 00	
YP for 69 years @ 7%	14.152	636. 84

Reversion

Entirety Value	£170,000. 00	
Site Value @33.3%	£ 56,610. 00	
Section 15 rent @ 7%	£ 3,962. 70	
YP deferred 69 yrs @ 7%	0.134	531. 00

£ 1167. 84

He had adopted an entirety value of £170,000 based on the sale eight weeks previously of No. 240 Station Road (in poorer condition) for £152,000 which he believed to be generous as property prices in Wythall had hardened notably in the five months since the effective date. No. 236 Station Road was currently for sale at £195,000 although this appeared to be an inflated asking figure. He quoted various decisions of the Tribunal (M/EH2337C, 2218, 2235 and 2215/7) in support of a site apportionment of 33.3% with the same or smaller road frontages than the subject property. He also quoted authorities in support of adopting the customary 7% yield rate.

Mr. Laing then tabled his valuation as follows :

Term

Ground Rent	£45.00	
YP for 69 yrs @ 7%	14.14	636

Reversion

Entirety Value	£200,000	
Site Value	£ 75,000	
Section 15 Rent @ 7%	£ 5,250	
YP deferred 68yrs @ 7%	0.143	751

	£	1400

and instanced two similar properties in Teazel Avenue Bournville Birmingham which had been recently sold for £185,000 (No.4 October 2001) and for £189,950 (No. 50 in progress) He also referred to the current sale of No. 236 which he believed to be smaller than the subject property. He felt that a site apportionment of 37.5% was justified by the frontage. He declared an interest in Mansel Securities Ltd

REASONING

We take the view that £170,000 properly reflects the value of the subject property last December on the basis of the known concluded sales of neighbouring properties and we do not accept Mr. Laing's contention that the Teazel Avenue sales which he had quoted are comparable. Bournville is a particularly attractive residential suburb of Birmingham and a considerable distance from Wythall, which is semi-rural in character without the same amenities. The Tribunal has only adopted a site proportion in excess of one-third in exceptional cases where land is at a considerable premium and sites are substantial in dimension. We therefore prefer Mr. Moore's valuation

COSTS

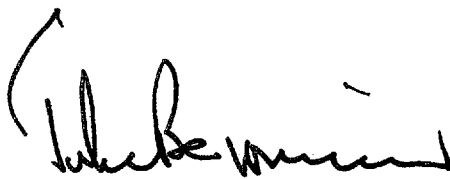
The Tenants had in addition requested the tribunal to determine the Landlords' reasonable costs to be paid by them in accordance with Section 9(4) Leasehold Reform Act 1967. Mr. Moore suggested a reasonable fee for the conveyancing work involved would be £225 (plus VAT if applicable) this being in line with a number of recent decisions of the Tribunal where the freehold title (as is this case) was understood to be registered. Mr. Laing suggested that it was difficult to find a professional advisor willing to undertake any work for less than £250 at the present time. Mr. Moore contended that no valuation fee was payable. There has been no reaction from the Landlords or any agent on its behalf after the Notice of Claim had been given and prior to the Application to the Tribunal. Certainly no internal inspection had been made. Mr. Laing maintained that he had prepared a valuation.

REASONING

At the present time a reasonable charge for the conveyancing work involved in cases of this kind is believe to be in the region of £225. Although there appears to be no evidence, documentary or other indication, that a valuation was undertaken prior to that made for the purposes of the application (which does not qualify) we accept Mr. Laing's word that he prepared one.

DECISION

Accordingly, we determine the price to be paid by the Tenants for the freehold interest in the subject property at £1168 plus the Landlords' legal costs £225 an £8 Land Registry office copy fee and a Valuation fee of £125 (both plus VAT if applicable)



JOHN BETTINSON
CHAIRMAN

04 SEP 2002