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Our Ref: M/EH 2437c

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 W.R. Ronnie
Respondent: Mansal Securities
Re: 12 The Spinney, Wythall, Worcestershire, B47 6HB
Date of Tenants Notice: 07th February 2002
RV as at 1.4.73: £240.00
Application dated: 09th April 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 Tenant, Mr.W.R.Ronnie. for the freehold interest in the property known as 12 The Spinney Wythall Worcestershire B47 6HB in accordance with the provisions of the Leasehold Reform Act 1967 as amended. The Tenant holds the property under a Lease dated 11th December 1972 for the unexpired residue of a term of 99 years from 25th December 1971 at a yearly ground rent of £40.

The Tenant's Notice of Claim to acquire the freehold interest was dated 7th February 2002 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 a semi detached house constructed of brick and tile fronting to a quiet side 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 an entrance porch, hall , kitchen, lounge/dining room and conservatory with an integral garage. On the upper floor are three bedrooms a bathroom and WC. The property has front and rear gardens but fronts to a turning point or hammer head in the road which attracts noise and vehicle parking. The site of the subject property has a road frontage of about 7 metres and an area of some 232.44 square metres.

THE HEARING

This was attended by Mr. J.Moore of Messrs. Midland Valuations on behalf of the applicant 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	£ 40. 00	
YP for 69 years @ 7%	14.152	506. 08

Reversion

Entirety Value	£120,000.	
Site Value @33.3%	£ 39,600	
Section 15 rent @ 7%	£ 2,772	
YP deferred 69 yrs @ 7%	0.134	371. 44

£ 937. 52

He had adopted an entirety value of £120,000 based on the sale in February 2002 of No. 39 The Spinney. The property was on the market for £132,000. It is a semi-detached house with similar – but larger – accommodation and in better condition than the subject property. He quoted various decisions of the Tribunal (M/EH2349C, 2342C and 2320) in support of a site apportionment of 33% with greater 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	£40.00	
YP for 69 yrs @ 7%	14.15	566

Reversion

Entirety Value	£150,000	
Site Value @ 35%	£ 52,500	
Section 15 Rent @ 7%	£ 3,675	
YP deferred 69yrs @ 7%	0.134	492

Price (say)	£	1060

and instanced a similar property No. 95 Berberry Close Bournville Birmingham which currently is being sold for £144,000. He felt that a site apportionment of 35% was justified by the frontage. He declared an interest in Mansel Securities Ltd

REASONING

We take the view that £120,000 properly reflects the value of the subject property in February on the basis of the known concluded sales of neighbouring properties and we do not accept Mr. Laing's contention that the Berberry Close which he had quoted is 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 Tenant had in addition requested the Tribunal to determine the Landlords' reasonable costs to be paid by him 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

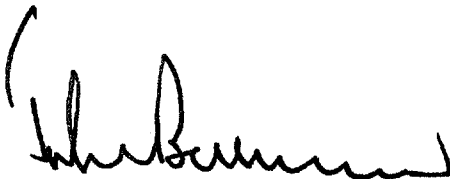
recent decisions of the Tribunal where the freehold title (as in this case) was understood to be registered. Mr. Laing suggested that it was difficult to find a professional advisor willing to undertake any work for less than £250 at the present time. Mr. Moore contended that no valuation fee was payable. 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 interest 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 believed to be in the region of £250. Although there appears to be no documentary evidence 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 £938 plus the Landlords' legal costs of £250 (plus VAT if applicable) an £8 Land Registry office copy fee and a valuation fee of £125 (both plus VAT if applicable)



JOHN BETTINSON

CHAIRMAN

04 SEP 2007