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Our Ref: BIR/41UK/0AF/2002/0067

WEST 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: John Edward Kershaw & Margaret Ann Kershaw

Respondent: St Ermins Property Co Ltd

Re: 44 Claremont Road, Coton Green, Tamworth, Staffs, B79 8EW

Date of Tenants Notice: 22nd July 2002

RV as at 1.4.73: £217.00

Application dated: 22nd October 2002

Heard at: The Panel Office

On: 05th December 2002

APPEARANCES:

For the Tenant: Mr Moore MA (Midland Valuations Ltd)

For the Landlord: Not represented

Members of the Leasehold Valuation Tribunal:

N.R. Thompson FRICS
P.J.H. Waller
D. Underhill

17 DEC 2002

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL
ON AN APPLICATION UNDER SECTION 21 AND 21 (1) (ba) OF
THE LEASEHOLD REFORM ACT 1967**

IN THE CASE

OF

STEWART v ST. ERMINS PROPERTY COMPANY LIMITED

**44 CLAREMONT ROAD
COTON GREEN
TAMWORTH
STAFFORDSHIRE
B79 8EW**

Reference : M/EH.2550C & M/LRC.478

Background

This a determination under Section 9 of the Leasehold Reform Act 1967 (as amended) as to the price to be paid for the freehold interest in respect of a semi-detached house, 49 Claremont Road, Coton Green, Tamworth, Staffordshire, B79 8EW. The Lessees, Mr. & Mrs. J.E. Kershaw hold the property by way of a Lease dated 19th March 1964 for a term of 99 years from 24th June 1963 at a yearly ground rent of £17.50. The Tenant's Notice of Claim to acquire the freehold interest was dated 22nd July 2002, when approximately 60 years of the term remained unexpired. The Tribunal accepted that the qualifying conditions for entitlement to enfranchise under the Act had been fulfilled.

Property

The Tribunal inspected the property on 5th December 2002 in the presence of Mr. & Mrs. Kershaw. The property comprises a two storey semi-detached house of brick and interlocking tile construction fronting onto a road of largely similar properties on the northern outskirts of Tamworth, and within reasonable distance of the town's amenities.

The property has the benefit of central heating and double glazed windows.

The accommodation comprises an Entrance Porch; Hall; Living Room and Kitchen on the ground floor, with three Bedrooms and a combined Shower Room/W.C. on the first floor. Externally the property has both front (small) and rear garden as well as a detached side Garage. The site of the subject property has a road frontage of approximately 7.92 metres and an area of circa 263 square metres.

Hearing

At the Hearing the Lessees were represented by Mr. J. Moore M.A. of Midland Valuations Ltd. The Landlords were not represented.

The Hearing commenced with Mr. Moore introducing his case on behalf of the Lessees by submitting details of the property and the following valuation:-

Term

Annual Ground Rent :	£17.50	
YP 60 years @ 7%	<u>14.039</u>	
		£245.68

Reversion

Entirety Value :	£109,000	
Site Value @ 33% :	£35,970	
Sec.15 Rent @ 7% :	£ 2,517.90	
YP deferred 60 ¹ / ₃ years @ 7% :	<u>0.246</u>	
		£619.40
		£865.08
	say	<u>£865.00</u>

In support of his Entirety Value, Mr. Moore referred to a comparable three bedroomed semi-detached houses in the locality: 25 Claremont Road, which had been sold recently for "close to" the asking price of £112,950.

He also quoted previous decisions of the Tribunal involving similar properties as authority for adopting an Entirety Value of £109,000; a site value of 33% and a yield rate of 7%. These included No.4 and 49 Claremont Road determined in November and September 2002 in respect of Notices of Claim dated May and March 2002 respectively.

He had therefore adopted an Entirety Value of £109,000 to reflect his opinion of the likely increase in value of the subject property since those dates of claim and to take into account the evidence of the recent sale of 25 Claremont Road

Costs

On the subject of the Landlord's legal costs, Mr. Moore suggested a reasonable fee for the conveyancing work involved would be £250 (plus VAT if applicable) and disbursements. The freehold title was registered and he cited two previous Tribunal decisions (M/LRC 405 and M/LRC 381) as authority for the adoption of that figure.

In relation to the Landlord's valuation fees, Mr. Moore submitted that as no valuation of the property had been carried out prior to the application to the Tribunal, then the Landlords were not entitled to recover any valuation costs from his clients.

Decision

1 – Freehold

The Landlords not having submitted any written representations to the contrary, the Tribunal saw no reason to disagree with Mr. Moore's valuation.

The Tribunal therefore determined that the price to be paid for the freehold should be £865.

2 – Costs

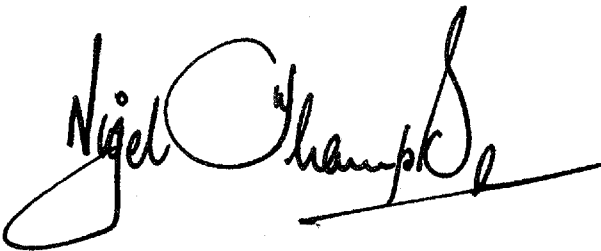
In relation to costs, the Lessee's application for a determination is pursuant to Section 21 (1) (ba) of the Leasehold Reform Act 1967 as the freeholder's reasonable costs payable under Section 9 (4) of that Act and Schedule 22 Part 1 (5) of the Housing Act 1980.

Legal:

In cases of this type the conveyancing is normally of a very straightforward nature which many Solicitors are prepared to undertake on a competitive basis. At the present time, a reasonable charge is considered to be £225 (excluding VAT) plus any Land Registry fee for Office Copies, taking into account the number of similar cases with the same title which have been dealt with recently.

Valuation:

Clearly there is no evidence that any valuation has been undertaken by or on behalf of the Landlords in consequence of the Tenant's Notice and therefore no valuation costs are payable by the Lessee pursuant to Section 9 (4) (e) of the Act.

A handwritten signature in black ink, appearing to read 'Nigel R. Thompson', with a long horizontal flourish extending to the right.

**NIGEL R. THOMPSON
CHAIRMAN**

17 DEC 2002