

Our Ref: BIR/41UB/OAF/2003/0158

MIDLAND RENT ASSESSMENT PANELLeasehold Reform Act 1967Housing Act 1980**DECISION OF LEASEHOLD VALUATION TRIBUNAL****ON AN APPLICATION UNDER S21 OF THE LEASEHOLD REFORM ACT 1967**

Applicant: R J & P M Hawkins
Respondent: J Aulak
Re: 47 Bower Lane, Rugeley, Staffs, WS15 2RD
Date of Tenants Notice: 25/7/03
RV as at 1.4.73: £72.00
Application dated: 16/10/03
Heard at: Panel Office
On: 8/1/04

APPEARANCES:

For the Tenant: Mr S G Langford MRICS
For the Landlord: Not represented

Members of the Leasehold Valuation Tribunal:

Mr N R Thompson FRICS (Chairman)
Mr P J Waller
Mr D Underhill JP

Date of Tribunals decision: 22 JAN 2004

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER SECTION 21 OF

THE LEASEHOLD REFORM ACT 1967

IN THE CASE OF

HAWKINS v AULAK

**47 BOWER LANE
RUGELEY
STAFFORDSHIRE
WS15 2RD**

Reference : BIR/41UB/OAF/2003/0158

Background

This is 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, 47 Bower Lane, Rugeley, Staffordshire, WS15 2RD. The Lessees, Mr. & Mrs. R J Hawkins hold the property by virtue of a Lease dated 27th January 1967 for a term of 99 years from 25th March 1965 at a fixed yearly ground rent of £21. The Tenants' Notice of Claim to acquire the freehold interest was dated 25th July 2003, when approximately 60.5 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 8th January 2004 in the presence of Mr. Hawkins and his surveyor, Mr S G Langford MRICS of Messrs Southwells, Estate Agents, Surveyors and Valuers of Rugeley.

The property comprises a two storey semi-detached house of brick and tile construction, with timber clad front elevation, occupying a corner plot (with Daywell Rise), overlooking open countryside on the northern outskirts of Rugeley, and within reasonable distance of the town's amenities.

The centrally heated and double glazed accommodation comprises an Entrance Hall; Living Room and Kitchen on the ground floor, with three Bedrooms and a combined Bathroom/W.C. on the first floor. Externally the property has both front and rear gardens as well as a side pedestrian access and integral car port. The property has a road frontage of approximately 6.4 metres and a site area of circa 229 square metres.

Hearing

At the Hearing the Lessees were represented by Mr. S G Langford MRICS (see above). The Landlords were not present or represented.

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

Term

Annual Ground Rent : £21
YP 60.5 years @ 7% 14.047

£295

Reversion

Entirety Value : £107,000
Site Value @ 30% : £ 32,100
Sec.15 Rent @ 7% : £ 2,247
YP in perp. deferred 60.5 years @ 7% : 0.23846

£536

£831

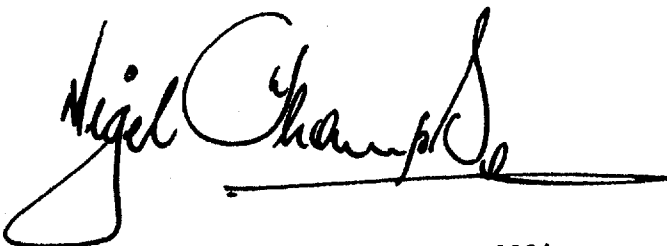
In support of his Entirety Value, Mr. Langford referred to the sale on 7th March 2003 (four and a half months before the date of the Notice of Claim) of a comparable three bedroom semi-detached houses at 71 Bower Lane at £104,500 on a leasehold basis. Allowing for the different dates of valuation and adjusting for the freehold tenure (to be assumed for the Entirety Value), Mr Langford considered the figure of £107,000 to accurately reflect the notional freehold Entirety Value of 47 Bower Lane as at July 2003.

In relation to his adopted yield of 7%, Mr Langford considered that this was a generally accepted rate in cases such as this, and had been widely adopted previously by the Tribunal and the Lands Tribunal.

In support of the adoption of a site value based on 30% of the Entirety Value, Mr Langford cited a recent decision of the Tribunal involving number 45 Bower Lane (BIR/41UB/OAF/2003/0103 and BIR/41UB/OC6/2003/0071), when the Tribunal had adopted such a per centage in view of the proximity of the subject property to an estate (to the rear) of generally lower value houses, and the relatively small site area of the site at 231square meters. Given the fact that 47 and 45 Bower Lane are on opposite corners of Daywell Rise and number 47 has an even smaller site area- albeit marginally so - of (229square metres), Mr Langford submitted that a similar per centage was appropriate in the present case.

Decision

The Landlords not having submitted any written representations to the contrary, the Tribunal accepted the approach adopted by Mr Langford as representing the correct valuation principles and values. The Tribunal therefore determined that the price to be paid for the freehold of the subject property should be £831.



Nigel R Thompson 22 JAN 2004
Chairman