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BIR/00CN/OAF/2004/0038

MIDLAND RENT ASSESSMENT PANEL

**DETERMINATION BY THE LEASEHOLD VALUATION OF THE
PRICE PAYABLE FOR THE FREEHOLD ON AN
APPLICATION TO THE COURT UNDER S27 OF THE
LEASEHOLD REFORM ACT 1967**

Premises: 223 Rectory Road, Sutton Coldfield, B75 7SA

Applicant: Mr W G Cartlidge (tenant)

Date of tenant's application to the court: 16 December 2003

RV as at 1 April 1973: Under £500

Heard at: Birmingham

On: 16 March 2004

Appearance:

Mrs R E Horsfield (David Drury & Co, solicitors) for the tenant

Members of the leasehold valuation tribunal:

Lady Wilson
Mr S Berg FRICS
Mrs B Granger

Date of the tribunal's decision:

24 March 2004

Background

1. This is the determination of the price to be paid for the freehold of 223 Rectory Road Sutton Coldfield, referred to the tribunal under section 27(5) of the Leasehold Reform Act as substituted by section 149(1) of the Commonhold and Leasehold Reform Act 2002 which applies in respect of applications to the court made on or after 30 September 2003. This application to the court was made on 16 December 2003, and asserted that the identity of the landlord was unknown or that the landlord could not be found. By an order dated 3 February 2004, Deputy District Judge Wakem directed that the claimant tenant lodge a valuation approved by the leasehold valuation tribunal by 4pm on 5 April 2004.

2. The property is held by the tenant, Mr Cartlidge, on a lease dated 5 August 1959 between St Bernards Park Limited and George Henry Blackwell for a term of 99 years from 25 March 1959 at a ground rent of £25 per annum, fixed throughout the term. Approximately 54 years remained unexpired on the valuation date, which is 16 December 2003, the date of the tenant's application to the county court which, by virtue of section 27(2)(a) of the 1967 Act, has the effect of a notice of claim. We are informed by the tenant's solicitors and accept that the rateable value of the property is such that the valuation falls to be made in accordance with section 9(1) of the Leasehold Reform Act 1967.

3. The tribunal inspected the property on 16 March 2004, before the hearing, in the presence of Mr Cartlidge. It is two storey semi-detached house built in the 1950s, of brick and interlocking tile construction, set back from a busy main road. The house is centrally heated and double glazed and has a living room, three bedrooms, a bathroom/ wc and an integral single garage. There is a grassed area at the front and long garden at the rear. The area of the site is approximately 507 sq m.

The hearing

4. Although the tenant's solicitors had indicated that they did not propose to attend the hearing, Mrs Horsfield of David Drury & Co, the tenant's solicitors, appeared on his behalf. She said that Mr Carlidge had always paid his ground rent to the Wesleyan and General Assurance Society and not to the original freeholder, Saint Bernards Park Limited. Mr Drury, the solicitor with conduct of the case, had written to the Wesleyan and General Assurance Society who had said that the freehold had been sold but that the current freeholder was unknown and its title was not registered.

5. Mrs Horsfield had no evidence of the entirety value of the property but Mr Carlidge had informed her that a similar property was on the market for £180,000.

The tribunal's valuation

6. We have adopted the standing house method of valuation, and an entirety value, on the basis that the site is developed to its fullest realistic potential, of £180,000. This figure is based on our own knowledge of the local market to which, as an expert tribunal, we are entitled to have regard. We have adopted a site apportionment of 33%, which we consider to be appropriate for a semi-detached house in this location, and a yield rate of 7% for capitalisation and deferment, based on the consistent approach of tribunals in similar cases, and which we consider to be appropriate for this investment.

7. We thus determine that the price to be paid for the freehold is £1890, in accordance with the following valuation:

Term:

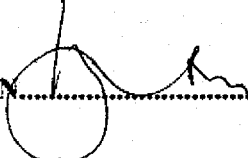
Annual ground rent:	£25	
YP 54 years @ 7%	13.9157	£347.89

Reversion:

Entirety value	£180,000	
Site value @ 33%	£59,400	
Section 15 rent @ 7%	£4,158	
YP deferred 54 yrs @ 7%	0.36998	<u>£1538.38</u>

£1886.27

say: **£1890**

CHAIRMAN.....

DATE.....24 March 2004