

RESIDENTIAL PROPERTY TRIBUNAL SERVICE SOUTHERN RENT ASSESSMENT PANEL AND LEASEHOLD VALUATION TRIBUNAL LEASEHOLD REFORM ACT 1967 SECTION 27(1)(A)

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

CASE NO:

CHI/00HC/OAF/2005/0022

PROPERTY:

34 WANSBROUGH ROAD, WORLE

WESTON SUPER MARE NORTH SOMERSET

BS22 7SY

APPLICANT:

MR &MRS WHITE

DATE OF DECISION:

28 JULY 2005

TRIBUNAL MEMBERS: PROFESSOR D N CLARKE (Chairman)

MRS M F HODGE MRICS

DATE DECISION ISSUED: 18th AUGUST 2005

RE: 34 WANSBROUGH ROAD, WORLE, WESTON SUPER MARE, NORTH SOMERSET

Background

- This was an application by Mr and Mrs White of 34 Wansbrough Road, Worle, Weston-Super-Mare, Avon under the Leasehold Reform Act 1967. The claim is for the enfranchisement of the title to this property in circumstances where the identity and whereabouts of the landlord is unknown.
- 2. This application is one of a number from this area under the new jurisdiction conferred on leasehold valuation tribunals relating to the same missing landlord and the same lease. In these circumstances, there was no request for a hearing.

Facts

3. The Tribunal noted that the title to the property is registered as leasehold and is part of a much larger parcel of land held for the residue of a term of 500 years created by a Lease dated 1 September 1557, which reserved a rent of £1.6.9d. We were aware of some written evidence that the Lease has long since disappeared. Apparently, there are a considerable number, some

- hundreds, of properties registered with leasehold titles under the same Lease, all of which, unless enfranchised, will expire on 31 August 2057.
- 4. The Tribunal considered the terms of the Leasehold Reform Act 1967, section 27. The Tribunal considered that this was a clear case of valuation under Section 9 of the Act. We considered that no further steps by way of advertisement would be likely to produce the successor in title to the landlord. We were told that the court did not require a copy of the proposed conveyance in the absence of the known landlord.
- 5. In these circumstances the Tribunal determined that the only question for it to determine was the correct valuation in the light of the statute and the decided caselaw.

Valuation Evidence

6. The applicant produced to us a valuation dated 23 June 2005 by Mr M T Ripley. This valuation put forward an enfranchisement price of £804.97 based on an estimated site value of £27,750, being 30% of the entirety value of £185,000. This was reduced by 50% for reasons noted below. A modern ground rent was calculated at 7%, £1942.50. When deferred for 52.33 years at 7%, the resultant figure was £804.97 rounded up to £805.

Inspection

7. The Tribunal inspected the property on 28 July 2005, the applicant's solicitor having indicated that he did not wish to attend the inspection.

Decision

- 8. The Tribunal considered all the valuation evidence carefully in the light of the expert knowledge of the Tribunal. It was the view of the Tribunal that the comparable evidence relied upon in the valuation was sound. Taking these comparables into account, and in the light of the experience and knowledge of the tribunal, the Tribunal determined that the open market entirety value of the property was £185,000.
- 9. Applying the guidance in earlier caselaw (as referred to in Mr Ripley's valuation and as set out in detail in Hague, Leasehold Enfranchisement, 4th edition, paragraphs 8-08 to 8-11) the Tribunal applied the 'standing house' valuation approach and determined the site value at 30% of that figure, namely £27,750. The Tribunal agreed with the applicant's valuer that a modern ground rent should be at 7%. Since the Lease has 52.33 years remaining the deferment at 7% is also the correct approach.
- 10. The key issue for the Tribunal is the question whether the valuer, Mr Ripley, was correct in reducing the site value by a further 50%. This was done because of the peculiar nature of the site. The leasehold land on which the house stands is separated from the public highway by a piece of freehold land. This comprises the front garden, pathway and drive. It is vested with registered title

in the name of the applicants, Mr and Mrs White. So the leasehold land to which this application related is incapable of being developed on its own (being otherwise surrounded by other properties). It therefore depends on the freehold land for access. The case of *Stokes v Cambridge Corporation* (1961) 13 P&CR 77 makes it clear that the valuation must be considered through the eyes of a prospective purchaser of the leasehold site. Such a purchaser would recognise the need to acquire the freehold land in order to develop the leasehold site. The freehold owner has, in effect a ransom strip. In the circumstances, we agree that the site value must be reduced by 50%.

- 11. The Tribunal therefore determined for the purposes of this application, that the valued put forward was correct and the enfranchisement price to be paid into court is £805.
- 12. We approve the form of transfer that was sent with the application, a copy of which is annexed and is signed by me for identification.

signed

Professor D N Clarke Tribunal Chairman.

August 3 2005