

RESIDENTIAL PROPERTY TRIBUNAL SERVICES

**Leasehold Valuation Tribunal
Of the
Northern Rent Assessment Panel
28 Tennyson Road, Sheffield, S6 2WD**

Leasehold Reform Act 1967

Dwelling: 28 Tennyson Road, Sheffield, S6 2WD
Applicant: Ranvis Properties (Sheffield) Ltd
Respondent: Trustees of Albert Clegg Deceased
The Tribunal: Mr C Davies
Mrs Thornton-Firkin

Date of Determination:

This is the decision of the Tribunal

Background

1. Ranvis Properties (Sheffield) Ltd made an application via its surveyors Fowler Sandford to Leeds High Court to acquire the freehold title under Section 27, the freeholder(s) being untraceable.
2. On 10th May 2005 District Judge Jordan remitted assessment of the value of the freehold to the Leasehold Valuation Tribunal.
3. On 2nd June an application was made to the Tribunal.
4. The leaseholder/applicants interest is for a term of 150 years from 25th March 1897 subject to an apportionment of a ground rent of £12 per annum secured on a larger site.

Inspection

5. The Tribunal inspected the property during the morning of 6 July 2005 in the company of Mr Ian Priest a director of the applicant company.
6. The premises consist of a small plot containing a two storey terrace house of brick and slate construction flush to the pavement and containing: on the ground floor living room extension, and on the first floor bedroom and bathroom. A further bedroom has been converted at second floor level from attic space. To the rear of the house is a garden on two levels. Rear access is via a passage with rights shared with adjoining occupiers. The house which is 100 plus years old is centrally heated and has been modernised over the last 10 plus years and is in fair repair. The present occupancy is by a tenant on a shorthold basis.

Hearing

7. At a hearing at the Workstation, Sheffield later the same day Mr Priest produced as evidence: a schedule of comparable recent sales in Tennyson Street, a calculation of reversion value. The Tribunal was told that the evidence and calculation were submitted through Mr M D Holmes BSc MRICS of Fowler Sandford, Chartered Surveyors, Sheffield but Mr Holmes was not available for examination. The Chair told Mr Priest that it was unfortunate that the evidence had not been produced earlier as requested in Directions.
8. The applicants comparables were Nos 69, 46 and 71 Tennyson Road stated to have sold for £100,568, £95,000 and £80,000 respectively at March 2005, December 2004 and with the last few weeks. Mr Holmes took an entirety value of £90,000 attributed 27.5% to the site giving a site value rounded up of £25,000. This figure then capitalised at 5.5% deferred 43 years produced £24,750 rounded to £25,000. There was no capitalisation of the apportioned Ground Rent of 30 pence.

Decision

9. The Tribunal firstly gave consideration to the valuation date and decided that this the date of the application to the Court of 6th April 2004 was correct (section 27(1) Leasehold Reform Act 1967).
10. On the evidence of Mr Priestly the informal apportionment of the £12 per annum ground rent at 30 pence was within papers evidenced at his company's purchase in 1982 and this sum was accepted as correct albeit that the lease of 1897 speaks to 8 houses and a £12 per annum ground rent.
11. The Tribunal decided in the light of its own investigations, knowledge and experience and the hearsay opinion from Mr Holmes to adopt a freehold market value of the property of £95,000. It accepts the applicants estimate of 27.5% as appropriate for site value.
12. Having considered the applicants capitalisation rate of 5.5% the Tribunal whilst with the knowledge of very low yields being currently adopted in the market for parcels of residential ground rents and commercial ground rents

with rent reviews, considered that a reversion 43 years hence required a slightly higher yield and adopted 6%.

13. The Tribunals valuation is therefore

Existing ground rent	30p	
YP for 43 years @ 20%	5	

		£1.50
Reversion £95,000 @ 27.5% = £26,125		
Ground Rent @ 6%	£1,568	
YP in perpetuity deferred 43 @ 6%	1.36	

		£2,132.00

		£2,133.50

SAY £2,150.

Elizabeth Thornton

pp C H Davies, Chairman

4 August 2005