

**SOUTHERN RENT ASSESSMENT PANEL
LEASEHOLD REFORM ACT 1967 SECTION 9
ENFRANCHISEMENT OF LEASE**

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ("LVT")

Case No.	CHI/00HC/OAF/2005/0008
Property	3 Elton Road Worle Weston-Super-Mare North Somerset BS22 7UR
Applicant	Mr D.Langley
Date of Inspection	18 May 2005
Tribunal Members	Mr D.R.Hebblethwaite (Chairman) Mr P.Smith FRICS

Background

1. The Applicant owns the Property on the basis of a leasehold title held for the residue of a term of 500 years created by a lease dated 1 September 1557 at a rent of £1.6s.9d. Hundreds of titles in Worle derive from this lease which is lost and the identity of the freeholder is unknown. The term is due to expire on 31 August 2057.
2. By an Order of Weston-Super-Mare County Court dated 2 March 2005 it was ordered that pursuant to Section 27(5) of the Leasehold Reform Act 1967 the Applicant pay into court such sum as is directed by the LVT as the price payable for the Property and the amount of rent estimated by the LVT as unpaid at the date of the Order.
3. On 14 March 2005 the Applicant referred the court order to the LVT for these valuations to be carried out under Section 9. The Applicant's Notice of Claim was not copied with the Tribunal's papers but the Tribunal assumes it was shortly before the court order and takes that as the date at which the valuations must be fixed.

Inspection

4. The Tribunal inspected the Property in the presence of Mr Langley and found it to be as described in the valuation of M.T.Ripley FRICS dated 11 April 2005 and submitted on behalf of the Applicant.

5. The Applicant did not request a hearing.

Evidence

6. The Applicant relied on the "standing house" valuation of Mr Ripley. (In the court order which was clearly drawn by the Applicant's solicitor reference to the "original valuation" basis was made, but in relation to the unpaid rent so this did not make much sense. It is understood that "standing house" and "original valuation" are the same in practice.) Mr Ripley referred to two comparable properties and concluded an entirety valuation for the Property of £110,000.00. He applied a percentage of 30 to calculate a site value of £33,000.00. He proposed a modern ground rent @ 7% = £2,310.00 per annum. He proposed an enfranchisement price, based on a deferment of 52.5 years, the unexpired term of the lease, of £926.24.
7. Mr Ripley considered that there should be no contribution to the existing ground rent on the basis that the proportion attributable to the site was infinitesimal.

Decision

8. The Tribunal considered the valuation evidence in the light of its expert knowledge and determined the open market entirety value of the Property at £114,000.00
9. Applying the guidance in earlier case law the Tribunal adopted the "standing house" valuation approach. The Tribunal felt that 30% was the appropriate percentage for the site value, to give a figure of £34,200.00. The Tribunal agreed that a modern ground rent should be calculated at 7% to give £2,394.00 per annum. With 52.5 years of the lease to run from the date of the Applicant's Notice the years' purchase multiplier of 0.4097 is correct and gives a resultant figure of £980.82.
10. The Tribunal therefore determined that the enfranchisement price to be paid into court is **£980.82**.
11. The original rent is about 8p in present currency but this would have to be divided between the number of individual houses on the demised premises which runs into hundreds and possibly thousands. The rent for the Property is therefore an infinitesimal fraction of a penny. The Tribunal therefore estimated the amount of unpaid rent at the date of the court order to be nil.

David H. H. H. H. H.

.....Chairman

10 August 2005

.....Date