

# Leasehold Valuation Tribunal

Leasehold Reform Act 1967

## **DECISION AND REASONS**

Case Number:

CHI/21UG/OAF/2013/0003

Applicant:

Ms E M Huntbatch

Represented by:

Gaby Hardwicke, Solicitors

Respondent:

Unknown

Property:

3 Broads Cottages

High Street BURWASH Etchingham

East Sussex TN19 7EE

Court Order:

Tunbridge Wells County Court - Claim Number 2TN00539

Date of Consideration:

11 March 2013

Tribunal Members:

Mr B H R Simms FRICS MCIArb (Valuer Chairman)

Mr RT Wilson LLB (Legal member)

Date of this Decision:

05 April 2013

## THE DECISION

1. The price to be paid is £Nil.

#### BACKGROUND

- 2. The Applicant seeks to acquire the freehold of the property under the terms of the Leasehold Reform Act 1967 ("the Act").
- 3. The lease, under which the Applicant holds the property, is for a term of 1,000 years from 2 June 1817 at a rent of a peppercorn without review. The identity and whereabouts of the freehold reversioner to the lease is unknown.
- 4. The Applicant commenced proceedings in Tunbridge Wells County Court to enable the freehold to be vested in her. By paragraph 5 of an Order dated 18 January 2013 the file was referred to the Leasehold Valuation Tribunal for determination of the price payable in accordance with section 27(5)(a) of the Act.
- 5. Directions for the conduct of the case were made by the Tribunal on 24 January 2013 and Notice was given that the Tribunal intended to proceed to determine the matter on the basis only of written representations and without an oral hearing. Notice was also given that the matter may be considered by a Chairman sitting alone. No objection was received to proceeding in this manner.

## **INSPECTION**

- 6. The Tribunal inspected the property as arranged on the morning of 11 March 2013 during snowfall. No one was at home to allow internal access but the Tribunal members were able to inspect most of the exterior and gain an impression of the interior by looking through ground floor windows. The Tribunal had the benefit of a detailed description of the property with photographs prepared by Mr Colin H Stutely FRICS of Bexhill. It determined that there would be nothing gained by making other arrangements to make its own internal inspection of the property and relied on the inspection it could make and the information provided by Mr Stutely.
- 7. The property is a semi-detached cottage directly fronting the road on the edge of Burwash village close to the junction with Shrub Lane. The Tribunal is told that the house was built in the early part of the 19<sup>th</sup> Century. It is probably built

of brick with rendered elevations under a pitched, slate covered roof. Mr Stutely describes the accommodation as on the <u>Ground Floor</u>: Porch, Reception Room and Kitchen and <u>First Floor</u>: Landing and Two Bedrooms. Outside there are gardens at the side and rear and an area used as hardstanding for a small car.

8. The property has been modernised and improved since it was originally let.

#### **EVIDENCE**

- 9. Documents submitted to the County Court were provided to the Tribunal. These include an undated witness statement of the Applicant with exhibits. One of the exhibits is the valuation from Mr Stutely addressed to Miss Huntbatch dated 8 august 2012. Mr Stutely values the freehold interest at £nii. There is also a copy of an abstract of the Indenture dated 2 June 1817 prepared by Andrews and Bennett of Burwash in 1956 and 1966 confirming the terms of occupation. Office copy entries of the title also confirmed the details.
- 10. The Tribunal did not receive, as Directed, a full valuation report in the appropriate form from Mr Stutely or any other valuer as Expert Witness. In the circumstances the Tribunal has taken the valuation report as informative without relying on its contents in its consideration.

#### 11. PRICE TO BE PAID

- 12. In determining the purchase price the Tribunal had to determine which basis of valuation applies in this case. The relevant financial limits apply and the property falls to be valued within S. 9(1) of the Act.
- 13. The price to be fixed shall be:

The amount at which at the relevant time the house and premises if sold in the open market by a willing seller (with the tenant and members of his family not buying or seeking to buy), might be expected to realise on the following assumptions:

- a) On the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy but on the assumption that this part of the act conferred no right to acquire the freehold; and if the tenancy has not been extended under this Part of this Act, on the assumption that (subject to the landlord's rights under S.17 below) it was to be so extended.
- b) ...
- c) on the assumption that (subject to paragraphs a) and b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made.
- 14. Having examined the documents submitted in evidence the Tribunal Is satisfied that there are no onerous or adverse covenants which might affect the valuation.
- 15. As the unexpired term of the lease is more than 800 years the reversion is too distant to have a current value. It is therefore not necessary to calculate a modern ground rent (S.15).
- 16. The only element of value which might give rise to a positive figure would be the capitalised value of a ground rent payable in perpetuity. The rent payable is a peppercorn and the resultant value of this element is also nil.
- 17. On this basis the price to be paid can only be £nil and the Tribunal so Determines.

Dated 05 April 2013

[Signed]

Brandon H R Simms FRICS MCIArb Chairman