

RESIDENTIAL PROPERTY TRIBUNAL SERVICE**LEASEHOLD VALUATION TRIBUNAL FOR THE EASTERN RENT ASSESSMENT PANEL****CASE NUMBER CAM/11UC/0AF/2007/0005****IN THE MATTER OF THE LEASEHOLD REFORM ACT 1967 SECTION 27**

In the matter of : **Bloomfield, Chiltern Road, Ballinger, Great Missenden,
Buckinghamshire HP16 9 LJ**

Parties : **Mrs Virginia Robinson** **Applicant**
Mr William Elwes & Others **Respondent**

Representation : **Messrs D C Kaye & Co Solicitors** **for the Applicant**
Mr M W J Carr BSc FRICS FCI Arb MEWI
of Kempton Carr Chartered Surveyors

Tribunal Members: **Mr A A Dutton – Chair**
Mrs H C Bowers – MRICS
Mrs S Redmond – BSc ECON MRICS

Date of determination **20 November 2007**

Date of Decision **3 December 2007**

REASONS/DECISION

A BACKGROUND

1. This matter came before us for determination of the price payable for the freehold of the property known as Bloomfield, Chiltern Road, Ballinger, Great Missenden, Buckinghamshire on 20 November 2007. This followed an Order made in the Aylesbury County Court under Claim Number 7AY00794 on 15 August 2007 remitting the claim to the Tribunal pursuant to s27 of the Leasehold Reform Act 1967 ("the Act").
2. The claim was issued in the Aylesbury County Court on 10 July 2007.

B INSPECTION

3. Thanks to the great assistance of Doctor Appleby we were able to make an inspection of both the exterior and the interior of the subject premises. Bloomfield is a chalet style bungalow on a plot that slopes reasonably steeply from front to rear. The property is as described in the report of Mr Carr, dated 31 July 2007. We noted on inspection that the two bedrooms on the top floor of the property with aspects to the front were affected by the roof line as was, to a lesser degree, the main bedroom to the rear of the property. We are aware from the documentation before us that Mrs Robinson had acquired the property in June 2005 when a price of £500,000 had been paid.
4. Chiltern Road is a quiet residential road in a rural setting in the hills between Chesham and Great Missenden.

C EVIDENCE

5. The evidence we were asked to rely upon by the Applicant was the above mentioned report by Mr Carr dated 31 July 2007 and his subsidiary report dated 21 September 2007. We do not propose to go into those in any detail other than to say that we found them of assistance in reaching our determination.


D THE LAW

6. The law applicable to this case is to be found in the 1967 Act and the valuing process is contained at s9(1). This sets out the basis upon which the price payable for the house is to be assessed subject to a number of assumptions which we have borne in mind in reaching our decision.

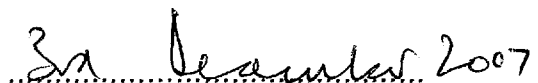
7. We also of course have regard to the provisions of s27 of the Act which deals with the assessment of the value of the property where a Landlord cannot be found.

E. DECISION

8. In this case we are required to value a property which is subject to a lease dated 9 April 1641 for a term of 400 years from 16 April 1641 with annual ground rent of a peppercorn. Neither the original nor examined copy of the certified lease was available on first registration.
9. The Order that requires us to provide a valuation as to the sum payable also confirmed that there is no pecuniary rent payable in this case. The only matter therefore we need to determine is the price payable for the freehold.
10. As we have indicated, in that regard Mr Carr's valuation was of assistance. We agreed with him that the site is fully developed and we accept, having regard to his consideration of comparable properties and based upon the original purchase price, that his market value of the property of £575,000 is a fair reflection of its value at the valuation date.
11. Insofar as the site value is concerned we noted all that was said by Mr Carr. It did seem to us that there was a minor arithmetical error in his assessment of the development value which he had used to assist him in fixing upon a site value of 45%. In our view the stamp duty payable would not be £191.12 but rather 1% of the land value, being £2,466. This therefore reduces his percentage figure, on our calculation, to something nearer 42.5% which we think is an appropriate site value to allow in this case.
12. It seems to us that Mr Carr may have included some element of "Haresign" additions. It is usually considered inappropriate to attribute a separate value to a landlord's ultimate reversion. The general practice is to capitalise the s15 rent in perpetuity at a yield rate that reflects the value of the ultimate reversion. It did not seem to us that this was a property to which a "Haresign" addition is required and accordingly to that extent we have differed from Mr Carr in his final valuing exercise. It does not however make a great deal of difference to the final figure which as can be seen from the attached schedule gives a price payable for the freehold of £23,280. That sum must be paid into court and no doubt the Applicants solicitors will deal with the conveyancing aspect without delay.



Chairman



Date

Valuation: Leasehold Reform Act 1967 Section 9 (1)

Bloomfield, Chiltern Road, Ballinger HP15 9LJ

Valuation Date: 10 July 2007

Term: 400 years from 9 April 1642

	£	£	£
Value of unexpired term			
Current ground rent			Nil
Value of the site - Standing House approach			
Entirety Value - open market value fully developed	575,000		
Site Value @ 42.5% of entirety value	244,375		
Section 15 Modern Ground Rent @ 7% of Site Value		17,106	
YP in perpetuity @ 7%	14.2857		
Deferred 34.75 years @ 7%	0.09526	1.36086	23,279
Enfranchisement price		say	<u>£23,280</u>