

RESIDENTIAL PROPERTY TRIBUNAL

LEASEHOLD VALUATION TRIBUNAL

Reference: LVT/0021/07/14 - Wroughton Place

In the Matter of: 63 Wroughton Place, Ely, Cardiff, CF5 4AB

In the Matter of an Application under Section 27 of the Leasehold Reform Act 1967 (as amended)

TRIBUNAL David Foulds (chair)
Peter Tompkinson MRICS

APPLICANT Mr Michael Staniforth

RESPONDENT Clifford Baxter-Jones (Deceased)/Owner of Freehold

Date of Hearing 9th October 2014

Date of Decision

DECISION

1. The Tribunal determines that the appropriate sum as provided for by section 27 (5) of the Leasehold Reform Act 1967 ("the Act") is £6,080.00

REASONS

The Application

The Applicant is the Claimant in proceedings in the County Court at Cardiff in claim number A00CF515. Those proceedings originated by way of a claim form issued on 28 March 2014 requesting that court to make a vesting order vesting the freehold of 63 Wroughton Place, Ely, Cardiff, CF5 4AB ("the Premises") in the Claimant.

A vesting order was made by the court by way of Order dated 28 May 2014 and provision was made within the said Order for determination by this Tribunal of the appropriate sum as provided for by section 27 (5) of the Act.

Inspection

The Tribunal inspected the Premises on 9 October 2014.

The Premises comprises a two-storey semi-detached house of cavity brick construction with a conservatory to the rear and occupying a rectangular shaped plot with a frontage of 19'10" and an average depth of hundred feet. The property is estimated to have been built circa 1958. On the ground floor the property comprises a small porch with entrance hall with stairs to the first floor

immediately to the right and with a lounge/dining room to the left and kitchen at rear. The first floor comprises a landing leading to 3 bedrooms and a bathroom with WC. There is a small front garden with hardstanding for one vehicle. There is a long albeit narrow rear garden backing on to the River Ely. The windows have been replaced with UPVC double glazing save for one upstairs window. The property has the benefit of gas central heating.

Hearing

The Defendant to the County Court proceedings (the Respondent within these proceedings) is deceased and by the nature of the proceedings the Claimant has been unable to locate any representative of his estate and the Respondent was not represented within the Tribunal proceedings.

By way of a letter from those representing the Applicant dated 6 August 2014 the Applicant confirmed that he was content for the Tribunal to decide the matter from the papers and in consequence the Applicant did not attend the hearing.

Evidence

By way of directions issued by the Tribunal on 30 July 2014 the Tribunal directed that a valuation of the freehold reversion the prepared by a suitably qualified surveyor as at the relevant valuation date being 28 March 2014 giving full details of all calculations and with reference to and supported by comparable evidence. It was further directed that such valuation shall contain a statement of truth and comply with the requirements of the protocol of the valuer's professional body.

Further to the above direction the Tribunal had the benefit of a valuation report prepared by Mr John Arbourne who is a fellow of the Royal Institution of Chartered Surveyors having qualified as an Associate in 1970 and being elected to fellowship in 1982 and being a current RICS Registered Valuer. The Tribunal was satisfied from the information given in the report that Mr Arbourne was a suitably qualified person to compile the report.

After the above hearing the Tribunal issued a direction that it be supplied with documentary evidence of the rateable value of the premises. The Tribunal was then provided with a copy of an e-mail dated 24 October 2014 from the Corporate Revenues Section of the City of Cardiff Council confirming that the rateable value of the premises as at 31 March 1990 was £161.00.

Basis of Valuation

The Tribunal was satisfied that the correct basis of valuation was that set out in section 9 (1) of the Act.

The Valuation

1) Capitalisation of the Ground Rent:

The existing ground is £7 per annum for the remainder of the term (43.25 years). The Tribunal has applied a capitalisation rate of 6.5% resulting in a figure of £100 for capitalised ground rent.

2) Section 15 ground rent:

The Tribunal found the market value comparables contained in Mr Arbourne's report to be of assistance. The Tribunal considered 44 Wroughton Place was the closest comparable and noted it sold recently (8 August 2014) for £138,500. The Tribunal took particular account of the narrower plot of No 44; that No 44 backed onto light industrial units and that 63 Wroughton Place had the river outlook at the rear of the property. These factors would enhance its value in comparison to 44 Wroughton Place and the Tribunal considered an appropriate valuation for No 63 Wroughton Place to be £140,000.00.

Taking account of the size of the plot, the Tribunal considered a site percentage of 30% to represent the value of the plot as being reasonable. Thus the site value is £140,000.00 x 30% = £42,000.00.

The Tribunal applied a de-capitalisation rate of 5% in line with the decision of the Lands Tribunal in the case of *Re Mansal Securities Limited and others* (2009) 20EG104.

The Tribunal therefore determined the appropriate section 15 ground rent to be £2,100.00 (£42,000.00 x 5%). The years purchase of this ground rent for 50 years deferred 43.25 years is £4,648.00.

3) Deferment of value of property with extension period of 50 years:

In line with previous decisions of this Tribunal, the Tribunal applied a deduction of 10% to take into account the rights of the leaseholder under schedule 10 of the Local Government Act 1989. The resultant capital value of £126,000.00 (£140,000.00 less aforesaid 10%) has been adjusted to reflect its present value by applying a de-capitalisation rate of 5% and the Tribunal determines that the deferred value of the Premises for the remaining term plus 50 years extension is £1,331.00.

Determination

Mr Arbourne greatly assisted the Tribunal by setting out his final valuation in tabular form at Appendix VI of his report. A copy is annexed to this Decision. The Tribunal is in agreement with the said valuation and determines that the appropriate sum as provided for by section 27 (5) of the Act is £6,080.00.

Dated this 11th day of November 2014

A handwritten signature in black ink, appearing to read "D M Foulds". The signature is written in a cursive, slightly slanted style.

CHAIRMAN

APPENDIX VI

VALUATION

TERM

AGR	7.00	
YP 43.25 years at 6.5%	<u>14.3744</u>	100

1st REVERSION

Entirety Value	£140,000	
Plot Value at 30%	£42,000	
Section 15 GR at 5%		2,100
YP 50 years at 5%	18.2559	
PV £1 43.25 years at 5%	<u>0.121243</u>	<u>2.21341</u>
		4648

2nd REVERSION

Capital value of the property	140,000	
Deduct 10% for Schedule 10 Rights	<u>14,000</u>	
	126,000	
PV £1 in 93.25 years at 5%	<u>0.010570</u>	<u>1331</u>
		6079

(Say) £6,080