

Y TRIBIWNLYS EIDDO PRESWYL
LEASEHOLD VALUATION TRIBUNAL

Reference: LVT/0030/10/15

In the Matter of 149 Penarth Road, Cardiff, CF11 6JJ

In the matter of an Application under Leasehold Reform Act 1967 Section 15 Ground Rent Review

TRIBUNAL Chairman: Andrew Morris
Surveyor: Roger Baynham

APPLICANTS Bajaj Properties Limited

RESPONDENT Mrs Broadhurst

DECISION

1. We were convened as a Leasehold Valuation Tribunal at the tribunal's offices at 1st Floor, Southgate House, Wood Street, Cardiff on the 12th April 2016.
2. The freeholder of the subject property had applied for us to determine a Modern Ground Rent under Section 15 of the Leasehold Reform Act 1967. The original lease of the property had been replaced by a new lease dated 10th December 1968 for a term of 70 years with the rent being reviewable in September 1988 and (the relevant review) on the 29th September 2013.
3. Despite negotiations between surveyors for both parties it had not been possible to reach an agreement despite the freeholders surveyor believing that the sum of £2000 per annum had in fact been agreed. The leaseholder had however requested an oral hearing.
4. The property comprises a 2 storey middle of terrace house constructed over a 100 years ago and located on one of the main roads leading to and from the centre of Cardiff. It is within easy reach of local shops and amenities and within a short distance of the city centre.

The accommodation on the ground floor consists of a recessed entrance porch, entrance hall, front lounge, rear room with a door leading to a small conservatory, kitchen with sink and wall and base units, rear lobby, and shower room with walk in shower, wash hand basin and w/c.

On the first floor there is a landing, 3 double bedrooms, a box room, and a bathroom with a bath having a shower over, wash hand basin and a w/c.

The property has solid exterior stone walls to the front elevation and stone and brick walls to the rear elevation which have been cement rendered. There is a slate roof and a brick chimney stack. The house has the benefit of double glazed UPVC windows and doors, and full gas central heating.

The front garden is relatively small having a paved path leading to the front door. Unfortunately access could not be obtained to the rear garden which was consequently viewed from the first floor rear bedrooms and consists of a hard-standing area, path and a garage with rear lane access.

The property would benefit from some refurbishment and modernisation especially to the kitchen, the shower and bathroom and the conservatory.

5. It became apparent in the course of our inspection that the leaseholder would not be able to attend the hearing but she indicated that she could not afford to pay more than the £2000 per annum referred to above.
6. At the hearing we had before us Mr Geraint Evans of Bureau on behalf of the freeholder. He had submitted a detailed report with details of comparable properties and his calculations. We also had correspondence from the leaseholder including a valuation from Harry Harper Estate Agents which valued the property in its current condition but freehold at around £144,950.
7. For reasons that will become apparent it is not necessary to address this evidence in too great a depth. However we did question Mr Evans about one matter in particular. He had calculated the new ground rent by using the "Standing House Approach" which is often used as there is no evidence of plot values particularly in a built up area. He had used a site value percentage of 33.33% which he stated reflected the property's proximity to extensive developments further towards the City centre particularly in Central Square and Dumballs Road. He felt this would make Penarth Road more desirable. It was drawn to his attention that a differently constituted tribunal had in another case in which he had appeared in Ryder Street Cardiff a much more attractive area the tribunal had rejected this proposal and substituted 30%. He felt that he had been surprised by this but his argument in this case still stood. We have to say for the record that he disagree with the basis of this proposition.
8. In any event we were prepared to accept Mr Evans' evidence as to the entirety value of the property at £150,000. Using a site value percentage of 30% we value the ground rent at:

Entirety Value	£150,000
Site Value 30%	<u>£ 45,000</u>
Deferred at 5%	<u>£ 2,250</u>

9. However as previously stated this is not relevant as Mr Evans advised that he had instructions from his client:
 - a) To agree a sum of £2000 per annum
 - b) That this client would not make an application for costs.
10. We therefore order that as from 29th September **2013 the Ground Rent shall be £2000** per annum for the remainder of the term.

Dated this 26th day of April 2016



ANDREW MORRIS
CHAIRMAN