

Y Tribiwnlys Eiddo Preswyl

Residential Property Tribunal Service (Wales)

Leasehold Valuation Tribunal (Wales)

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DECISION AND REASONS OF RESIDENTIAL PROPERTY TRIBUNAL Leasehold Reform Act 1967, s.21(1)

Premises: 65 Heol Barri, Caerphilly, CF832LX (“the premises”)

RPT ref: LVT/0002/04/18

Hearing: 18th July 2018

Order : **The premium payable for the freehold is assessed at £8010.**

Applicants: **Whitehall Place Properties Limited**

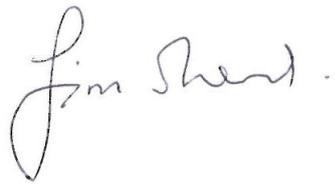
Respondents: **Martyn Thomas Cook and Wendy Jane Cook**

Tribunal: Mr JE Shepherd – Legal Chairman
Mr Peter Tompkinson FRICS

ORDER

1. The price to be paid for the freehold is £8010

Dated this 9th day of August 2018

A handwritten signature in black ink, appearing to read "Jim Sherratt". The signature is written in a cursive style with a large initial 'J' and a trailing flourish.

Lawyer Chairman

Introduction

1. The Applicants are the freehold owners of premises at 65 Heol Barri, Caerphilly, CF83 2LX ("the premises"). The Respondents served notice seeking to purchase the freehold pursuant to Part 1 of the Leasehold Reform Act 1967 on 1st October 2015. The notice was only received by the Applicant on 2nd May 2016. Apparently there was some discussion about price thereafter although no agreement was reached. Indeed it appears that the Respondents "went to ground" and were difficult to contact. Their solicitors were without instructions and ceased acting.
2. In an effort to move matters along the Applicant applied to the Tribunal for a determination of the price of the freehold. Although on its face the application relied on section 9(1)(A) it became clear that section 9(1) was in fact the provision relied upon.
3. The Respondents failed to engage with the Tribunal and did not comply with any directions. The Applicant provided a valuation report completed by Geraint Evans FRICS dated 18th June 2018. Mr Evans attended the tribunal hearing to represent the Applicant. He was originally instructed by the Applicants but is now instructed by Knights PLC.
4. The Tribunal carried out an inspection of the premises on Wednesday 19th July 2018 at 9.30 am. Mr Cook was at home and gave us access. He was frank about his current situation. He accepted that he had not responded to the Tribunal or the Applicant. He said his circumstances had changed since he made the application to buy the freehold. His wife had left and he had lost his job. He had ignored correspondence. He was not in a position to buy the freehold currently. We explained that the hearing would continue as the application was still extant. In the event Mr Cook did not attend the hearing.

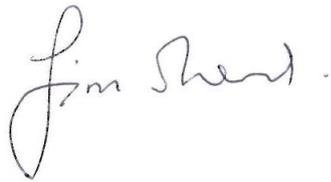
Description

5. The property is a semi-detached house formerly 3 bedrooms now with a converted attic forming a fourth. The property has a pitched concrete tiled roof, plastic panelling and facing brickwork walls, double glazed windows and doors. There is a paved forecourt to the front and large terraced garden to the rear. The accommodation is set out on 3 floors and comprises a lounge, kitchen, utility room and hall on the ground floor and three bedrooms and a bathroom on the first floor and a further bedroom on the second floor.
6. For the reasons given above the application was unopposed.
7. The Tribunal was in some difficulty because there was no lease to refer to. However we accept Mr Evans' reliance on instructions from his client that the rent is £16 pa. The Tribunal also accepted that the premises met the financial value test, the low rent test and the rateable value test therefore the appropriate valuation category is under Section 9(1) of the Act which is necessarily advantageous to the Respondents.

8. In relation to the capitalisation of the ground rent the Tribunal accepts that 6.5 % is a reasonable rate based on previous decisions relied on by Mr Evans. The Tribunal also accepts the standing house value and entirety values proposed by Mr Evans are reasonable and acceptable. Further the deferment rate of 5% is routinely adopted by the Tribunal and there is no reason to depart from this in the present case. Mr Evans proposed that there should be no allowance made for Schedule 10 of the Local Government & Housing Act 1989. He frankly admitted that he had argued this provision in both directions. In the present case he relied particularly on the decision in *Midland Freeholds Limited and Speedwell Estates Limited* [2017] UKUT 0463 (LC) (Midland). As already indicated the application was effectively unopposed. The Tribunal saw no reason to depart from Mr Evans' view that in the present case Schedule 10 is not applicable.

9. In summary the Tribunal accepted the Applicant's assessment of the value of the freehold - namely £8010, and we attach at Appendix 1 Mr Evan's valuation,

Dated this 9th day of August 2018

A handwritten signature in black ink, appearing to read "Jim Sherr". The signature is written in a cursive, flowing style.

Legal Chairman

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APPENDIX 1

ADDRESS
65 Heol Barri, CF83 2LX
LVT Reference
LVT0002/04/18

VARIABLES

Date of Valuation 02 May 2016
Lease Expires 31 January 2060
Unexpired Term
Ground Rent £16.00
Capitalisation Rate 6.50%
Value of Term £230
Entirety Value £170,000
Site Percentage 33.3333%
Capitalisation rate for s.15 5.00%
Deferment Rate 5.00%
Schedule 10 Deduction 0.00%
Standing House Value £160,000

VALUATION

Rent £16.00
YP Years at 43.75 £230.50 £230

Entirety Value £170,000
Site Percentage 33.3333%
Site Value £56,667
S15. Rent £2,833.33
YP 50 Years 18,2559
PV of £1 Years at £51,725
0.1183 £6,119

End lease value £160,000
PV of £1 Years 0.0103 £1,651
0.00% £8,001
£8,010

I believe the premium payable for the purposes of Leasehold Reform Act 1967 Section 9.1 should be