

Y Tribiwnlys Eiddo Preswyl

Residential Property Tribunal Service (Wales)

Leasehold Valuation Tribunal (Wales)

DECISION AND REASONS OF RESIDENTIAL PROPERTY TRIBUNAL Leasehold Reform Act 1967

Premises:	13 Hill Street, Mount Pleasant, Swansea, SA1 6XU
RPT ref:	LVT/0055/03/20
Inspection:	7 th May 2020
Applicant:	David Oakes and Jennifer Ada Oakes
Respondent:	The Estate of Henrietta Parr Davies (Deceased) / Persons Unknown
Tribunal:	Mr Trefor Lloyd (Legal Chair) Mr Roger Baynham FRICS (Surveyor Member)

DECISION

Pursuant to Section 9 of the Leasehold Reform Act 1967 the freehold value of 13 Hill Street, Mount Pleasant, Swansea, SA1 6XU is assessed in the sum of £24,740.00 (twenty four thousand seven hundred and forty pounds).

INTRODUCTION

1. The applicants on the 14th January 2020 issued a Part 8 Claim in the County Court at Swansea under Claim Number: G00SA033 seeking an order pursuant to Section 27 Leasehold Reform Act 1967 (“The Act”) that the freehold interest in 13 Hill Street, Mount Pleasant, Swansea, SA1 6XU (“ the property”) be vested in them.
2. The Defendants are referred to in the Part 8 Claim as being The Estate of Henrietta Parr Davies (Deceased) (1) and Persons Unknown (2).
3. On the 13th March 2020 Deputy District Judge P Evans sitting at the Swansea County Court transferred for determination by this Tribunal the question as to the value of the freehold interest of the property.
4. The property is the Applicants’ family home and has been so for an excess of 40 years. A witness statement filed on their behalf in the Part 8 proceedings from a Paula Marie Murphy, Solicitor of Phillips Green & Murphy Solicitors confirms the steps taken by the Applicants to try and trace the freehold owner.
5. Due to the Covid-19 restrictions the tribunal elected with the approval of the Applicants to determine the matter on paper without a formal hearing, save as for communication between the Legal Chairman and the Surveyor Member digitally using the tribunal’s remote hearing room platform.
6. In addition, due to the Covid-19 restrictions the Applicants were made aware that only an external inspection would be undertaken although the Surveyor Member had the benefit of photographs, floor areas and details of the accommodation contained within the Applicants’ Valuation Report. That

inspection was undertaken by the Surveyor Member alone on the morning of the 7th May 2020. At the same time the Surveyor Member also externally inspected the comparable properties relied upon by the Applicants' valuer in coming to her conclusion as to, in her view the freehold value.

THE LAW

7. The Leasehold Reform Act 1967 enables Tenants of long leases let at low rents to acquire the freehold interest (enfranchise) on terms. One part of the procedure requires the Tribunal to determine the purchase price in accordance with the methodology set out in Section 9 of the Act.

DESCRIPTION OF THE PROPERTY

8. The property comprises a flat fronted (i.e. without a forecourt) middle of terrace house which was built circa 1880. It is constructed of solid exterior walls which have been pebble dashed and has a timber pitched roof overlaid in tiles. The house has the benefit of Upvc double glazed windows and doors, and full gas central heating.
9. The property is located on a quiet relatively wide road with houses only to one side, and has adequate on street parking. It is within easy reach of local facilities and all other amenities are available in the City centre approximately 1/2 mile distant.
10. The accommodation on the ground floor comprises an entrance hall, a through living room / dining room, and a kitchen. On the first floor there is a landing, two bedrooms and a bathroom. The rear garden consists of an enclosed yard with a steep rock face adjacent to the rear boundary.

VALUATION REPORT

11. The Applicants rely upon the Valuation Report of Sarah Foster BSc PGdip MRICS of R J Chartered Surveyors dated the 3rd April 2020. Ms Foster

concluded that the price to be paid for the freehold interest amounted to the sum of £22,400.00.

DETERMINATION

12. Whilst the Tribunal concurs with the overall methodology of the Applicants' Surveyor and accept the percentage rates utilised in the calculations which are in line with previous decisions of this Tribunal, we do not agree with some of the particular conclusions that have been arrived at. Those differences relate to the value of the site percentage applied, the standing house value and the deduction relating to Schedule 10 Rights as more fully set out below.

Site Value

13. The Applicants' Surveyor in establishing the site value has relied upon the sale of 3 small residential sites, also upon the entirety value of 3 local sale transactions.

14. The site adjacent to 161 Robert Street was sold without Planning permission in February 2018. It is a small triangular sloping plot located at the end of a terrace.

15. 90 Dinas Street is some distance from Hill Street and was sold in September 2017 for £12,000 with planning for a small 2 bedroomed property. The land is a narrow infill site in an area where house values are lower than the subject property.

16. The site at St. Ledger Crescent is some distance from Hill Street and was sold in November 2017 for £20,000 without planning consent with an uplift of 50 % if planning was obtained. Planning approval was forthcoming in 2019 for a detached house and consequently the adjusted site value is £30,000.

17. The 3 house sale transactions referred to by the Applicants Surveyor are Nos. 1 and 11 Hill Street had sold for £107,000 and £103,000 respectively in August 2017 and 3 Winston Street which sold in April 2018 for £90,000.

18. Having considered the comparable evidence provided the Tribunal concur with the Applicants' Surveyor that the entirety value for the subject property is £105,000.
19. The Applicants' Surveyor having drawn the Tribunal's attention to the sale of the three small plots (as referred to above) has utilised the entirety value of £105,000 as the starting point. She has then in order to achieve the site value suggested that in view of the sale of the three plots that a percentage of 25 % of the entirety value should apply giving a site value of £26,250.
20. The Tribunal usually utilises a percentage of 30 % to provide a site value for terraced houses located in popular urban areas. However, having considered the comparable evidence provided in this instance considers that the correct figure percentage figure is 27.50 %, This provides a site value of £28,875.

Standing House Value

21. The Applicants' Surveyor considers that the property in its existing condition has a value of £90,000 as, although in good condition there are some fixtures which are a little dated and would benefit from updating.
22. As referred to above the Tribunal undertook an external inspection of Nos. 1 and 11 Hill street and 3 Winston Street. Both the properties in Hill Street have the benefit of three bedrooms and appear to have been improved. The house in Winston Street is a two bed roomed house within 50 yards of the subject property and was sold for £90,000 in April 2018.
23. In the Tribunal's view Hill Street is slightly more desirable than Winston Street and taking that, and the fact that the Winston Street transaction was 21 months prior to the agreed date for this valuation, consider that the Standing House Value is £95,000.

Schedule 10

24. The Tribunal is mindful of the decision of the Upper Tribunal in **Midland Freeholds Limited v Speedwell Estates Limited [2017] UKUT 463 (LC)** but consider that in the present case as there are only 6.67 years remaining there is a slight risk of the Lessee remaining in possession at the end of the lease. Consequently, the Tribunal consider that a 5 % discount should be applied. This is in line with the recent Tribunal decision at 58 Pontneathvaughan Road, Glynneath, Neath (Ref: LVT 0037/1018).

CONCLUSION

25. Save as for the matters referred to above the tribunal has no concerns with the figures and methodology applied by the Applicants' surveyor. Accordingly, adjusting the figures to take account of the adjusted site value, standing house value and Schedule 10 discount the tribunal determines the price to be paid for the freehold interest is £24,740.00.

26. In addition, as this is a missing landlord case a payment of 6 years ground rent is due. The Applicants' surveyor at paragraph 3.4(b) and 4b puts this figure at £36.00. This is clearly a typographical error as the ground rent is set at £3.00 per annum. Accordingly, the additional sum for 6 years of unpaid ground rent should be £18.00.

The amended calculations are attached.



Trefor Lloyd
Legal Chair

Dated this 21st day of 2020

13 Hill Street, Mount Pleasant, Swansea, SA1 6XU

Stage 1

Ground Rent	3.00		
Y. P. for 6.67 years at 6.5 %	<u>5.2745</u>		15.82

Stage 2

Entirety Value	105,000		
Plot Value at 27.50 %	28,875		
Modern Ground Rent at 5.00 %	1,443.75		
Y. P. for 50 years at 5.00 %	18.2559		
P. V. of £1 for 6.67 years at 5.00 %	<u>0.7223</u>	<u>13.1862</u>	19,037.58

Stage 3

Standing House Value	95,000		
Less Schedule 10 at 5.00 %	<u>4,750</u>	90,250	
P. V. of £1 in 56.67 years at 5.00 %	<u>0.063</u>		<u>5,685.75</u>

Total **24739.15**

Say **24,740.00**