

**Y Tribiwnlys Eiddo Preswyl**  
**Residential Property Tribunal Service (Wales)**  
**Leasehold Valuation Tribunal (Wales)**

**DECISION AND REASONS OF RESIDENTIAL PROPERTY TRIBUNAL**  
**Leasehold Reform Act 1967**

<b>Premises:</b>	4 Green Farm Sigginstone (“the premises”)
<b>RPT ref:</b>	LVT/0019/08/22
<b>Inspection:</b>	22 <sup>nd</sup> November 2022
<b>Order:</b>	<b>The value of the freehold reversion of the premises at the relevant time is assessed at £14400.</b>
<b>Applicant:</b>	John Law
<b>Respondent:</b>	Unknown- Missing Landlord
<b>Tribunal:</b>	Judge Shepherd Mark Taylor MRICS - Surveyor member

**Introduction**

1. On 6<sup>th</sup> June 2022 District Judge Vernon sitting in the County Court at Cardiff transferred for determination by the Tribunal the appropriate consideration to be paid by the Applicant for the acquisition of the freehold reversion of the premises known as 4 Green Farm Sigginstone (The premises). Unusually the Judge did not deal with the vesting order before transfer. This will need to be dealt with once the case is transferred back to the County Court.
2. The Applicant was represented by Julian Reed of Counsel and we are grateful for his assistance. It was agreed that we would send out the decision in draft so that if the Applicant’s valuation expert wanted to make any further submissions she could do so before the decision is finalised. We would be grateful if these submissions could be received within 28 days of receipt of this decision.

## Background

3. The Applicant occupies the premises pursuant to a long lease dated 30<sup>th</sup> August 1968. He occupies the whole of the premises and has done so since 1975. There are five other similar properties all of which have obtained their freeholds. The daughter in law of one of the three brothers behind the original landlord company Liscombe Builders Limited has indicated that the landlord is no longer trading and the three brothers are deceased.

## The Inspection

4. Mr Taylor inspected the premises on the day before the Tribunal hearing. The property is located in the quiet rural hamlet of Sigginstone in the Vale of Glamorgan. Immediate road access is via unclassified single carriageway country lanes. The nearest main road is the B4270 providing access to the wider locality and region via the A48.
5. The only local amenity is a village pub.
6. There is a mixture of older stone properties and more modern discrete late 20th century developments including a range of bungalow properties at Orchard Close directly opposite the subject property. 4, Green Farm was constructed in the 1960's and is one of a development of six properties being a combination of link detached and semi-detached properties.
7. The subject premises is a link detached, with the garages to the neighbouring property forming the link. Being slightly elevated from road level there is a short sloping driveway to the left-hand side of the property which could accommodate 2 smaller sized vehicles. Retaining walls to the front and side enable a level front garden area which is laid to lawn and to the right-hand side there is a pathway to the rear garden.
8. Comprising a two-storey house it is likely to be of traditional construction with block walls below a pitched cement tile roof. The garage is of flat roof construction with a composite covering. All elevations are finished in a spar dash render apart from some decorative corners to the front.
9. External windows and doors are uPVC together with the rainwater goods. There is a new roller shutter door to the garage.
10. Internally it provides a living/reception, dining room, kitchen and pantry/utility to the ground and three bedrooms and a family bathroom to the first. Internally there are solid block walls with suspended timber floors.
11. The property is in a poor state of repair and is not currently habitable with no functioning bathroom and the timber floor to the kitchen in partial collapse. There is

evidence externally of some exposure of metal reinforcement bars in window lintels and blown render.

12. There is mains water, electricity and likely mains drainage but heating was previously by way of an oil system with the boiler in an adjoining external cupboard and plastic oil tank in the garden.

### **The valuation report**

13. The Tribunal were assisted by the report of Hilary Evans dated 5<sup>th</sup> September 2022. A different approach was taken to the valuation by Mr Taylor and his valuation is attached in the annex. The reversion to the MGR should be after 44 years and not the 95 years adopted. In terms of the entirety value the main comparator is the property next door. The other comparators were not found to be helpful. Mr Taylor uplifted the value of £292000 by 5.66% (Nationwide Index value of Vale of Glamorgan) to arrive at £308500.

### **The law**

14. The Act enables tenants of long leases let at low rents to enfranchise their properties – in other words to acquire the freehold on terms. One part of this procedure requires a Leasehold Valuation Tribunal to determine the purchase price, in accordance with the appropriate valuation methodology as set out in the Act. The valuation methods are set out in s.9 of the Act, which has been amended several times and now provides for valuation upon a number of different bases, depending upon which category the property and the lease fall into.
15. In the case of a property with a low rateable value outside of London, that is less than £500 on the 31 March 1990, the valuation methodology is the s.9(1) valuation, which applies here. Under s.9(1) the price payable is the amount which on the valuation date, the site, if sold in the open market by a willing seller (with the tenant and members of his family not seeking to buy, thereby excluding what is called “marriage value”) might be expected to realise on certain assumptions, including the assumption that the tenant has complied with his covenants and disregarding any tenants’ improvements. It is further assumed that the tenant would exercise his right to claim an extended lease under section 14 of the Act. If the lease is extended under s.14 it gives rise to a further statutory term of the lease with the ground rent (known as the modern ground rent) being set by section 15 of the Act. The statutory term is for 50 years, with a review at 25 years.
16. Under s.9(1) the task of the Tribunal is to determine, as at the valuation date, the present capital values of the rent due for the remainder of the term of the lease and thereafter the value of the reversion.

**Application to the present case**

17. The Tribunal has considered carefully the valuation report prepared by Mr Evans but has adopted a more suitable method of valuation and arrived at the figure of £14400.

Dated this 3<sup>rd</sup> day of January 2023

Tribunal Judge Shepherd

## Valuation

Valuation date 22<sup>nd</sup> February 2022

Term expiry 31<sup>st</sup> February 2066 therefore 44 years unexpired.

Capitalisation rate 6%.

De- capitalisation rate 5%.

Entirety value £308,500 in full repair and condition.

Modern Ground Rent 33%.

Three stage approach (Haresign addition)

Term

Ground Rent £25.00 p.a.

YP 44 years @

6% 15.3832 £ 384.58

MGR @ 33% £101,800 @5% £5090 p.a.

YP 50 yrs @ 5% 18.2559

Deferred PV £1 44 yrs @ 5% 0.1169 2.1341 £10,862.64

Reversion

Entirety value £308,500

Deferred PV £1 94 yrs @ 5% 0.0102 £ 3,146.70

£14,393.92

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say £14,400.00

**But**

Comparison with two stage approach utilised by Valuer

Term (As  
above)

£ 384.58

MGR (As above) £5,090 p.a.

YP in perpetuity @5% 20\_

Deferred PV 44 yrs @5% 0.1169 2.338 £ 11,900.42

£ 12,285.00