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RESIDENTIAL PROPERTY TRIBUNAL WALES
LEASEHOLD VALUATION TRIBUNAL

Reference: LVT/0041/02/24

In the matter of 77 Cardiff Road Barry CF63 2NW

And in the matter of an Application under the Leasehold Reform Act 1967 (“The Act”)

Tribunal Judge: Ms. Tonya Richards-Clarke

Surveyor member: Mr. Roger Baynham FRICS

Applicant: Mr. Paul Luce

Respondent: Freehold Landlord Unknown

Date and Venue of Hearing: 23 April 2024 on the papers.

ORDER

The appropriate sum to be paid into Court under section 27(5) of the Leasehold Reform Act 1967 for the freehold interest in the house and premises at 77 Cardiff Road Barry CF63 2NW is £102.71.

This sum is made up of £80.00 price payable in accordance with section 9 (section 27(5)(a)) and £22.71 being the amount of any pecuniary rent payable for the house which remains unpaid (section 27(5)(b)), subject to section 19 of the Limitation Act 1980.

The Application

1. The applicant is the registered proprietor of the leasehold title to 77 Cardiff Road Barry CF63 2NW registered with the Land Registry under title number WA328171. The Applicant purchased the leasehold interest on or about 6 February 2017.

2. The lease was originally granted on 2 April 1914 for a period of 999 years from 2 April 1914 at a yearly ground rent of £3.15.8d (£3.785 p). The Applicant has never paid ground rent. Up to six years' rent is recoverable under section 19 Limitation Act 1980.
3. On 15 November 2023, the Applicant issued proceedings in the County Court at Cardiff under the Leasehold Reform Act 1967 (as amended) that the freehold of the property known as 77 Cardiff Road Barry CF63 2NW be vested in his name.
4. By order of District Judge Vernon 30 January 2024, the case was transferred to the Residential Property Tribunal Wales for the purpose of assessing the appropriate sum to be paid to acquire the freehold of the property pursuant to section 27 Leasehold Reform Act 1967.
5. On 28 February 2024 Tribunal Judge Lloyd gave directions and ordered that the application may be determined on the basis of the documents without an oral hearing. The Applicant have complied with these directions to provide a bundle of documents including valuer's report, documents of title, lease, and schedule of arrears. The Applicant did not request an oral hearing.

The Law

6. The Leasehold Reform Act 1967 enables tenants of long leases let at low rents to acquire the freehold of their leasehold house on terms as set out in the 1967 Act.
7. Section 27 The Leasehold Reform Act 1967 Act sets out the procedure to be followed where the landlord cannot be found. The Leasehold Valuation Tribunal is required to determine the purchase price, in accordance with the valuation methodology as set out in section 9 of the Leasehold Reform Act 1967 Act, as amended.
8. Pursuant to section 9(1) Leasehold Reform Act 1967 the price payable is the amount which, at the relevant time, the house, and premises, if sold on the open market by a willing seller (with the tenant and members of his family not buying or seeking to buy) might be expected to realise based on certain assumptions. The Tribunal must determine the purchase price on the relevant day. The relevant day in this case is the date of the underlying claim; 15 November 2023.

The Inspection

9. The Tribunal Judge and surveyor inspected the property on the morning of the 23 April 2024. The Applicant, Mr. Paul Luce, and his wife were present.
10. The Property comprises a 2 storey middle of terrace house built approximately 100 years ago and is located on one of the main roads leading into Barry. The house is

constructed with solid brick exterior walls which have been cement rendered and a composite slate roof. The windows and doors are mainly double glazed Upvc units.

11. The accommodation on the ground floor consists of an entrance hall with stairs leading to the first floor, a lounge, dining room and a through kitchen with a stainless steel sink unit and adequate base and wall units. On the first floor there is a landing, 3 double bedrooms, a box or office room and a shower room comprising a walk in shower, wash hand basin and a w/c. From the landing there is a spiral staircase which provides access to an attic space which has been converted to a double bedroom. Although enquiries have not been made of the relevant Authorities it is unlikely that the attic bedroom complies with Planning or Building Control regulations. The property has the benefit of gas central heating.
12. The property has a small forecourt which consists of a path and slate chippings, and the rear garden comprises a paved area with shrub borders and astro turf. There is a relatively large single garage with access from a rear lane.
13. The property is located on a busy road and situated almost opposite a silicone factory. It is within easy reach of public transport, shops and amenities whereas all other facilities are available in Cardiff which is, circa, 7 miles distant.

The Valuation

14. The applicant had obtained a valuation report prepared by Mr. Anthony Bletchly BSc MRICS [page 55 hearing bundle]. Mr Bletchly has advanced a value for the property as £215,000 and a valuation of £538 for the freehold reversion of the property.

Determination

15. The lease is for a term of 999 years from 2 April 1914, having approximately 890 years unexpired, at a ground rent of £3.15.8d (£3.785p) as stated on the Land Registry documents [page 15-17 hearing bundle]. The date of the valuation is 15 November 2023. As there are approximately 890 years remaining on the lease, we need only determine the capitalization of the ground rent. This is the first stage of the three-stage approach described by the Land Chamber of the Upper Tribunal in *Re Clarise Properties Limited* [2012] UKUT 4 (LC).
16. The leaseholder's Chartered Surveyor, Mr. A. Bletchley, has used the incorrect ground rent figure of £35.00 p.a. and capitalized this at 6.50 % (15.385) to produce a figure of £538.48 which has been rounded down to £538.00.
17. The Tribunal take the view that 5.00 % is more appropriate in this case and consequently assess the value of the freehold reversion at £80.00 (Eighty Pound) being the ground rent of £3.785 capitalized at 5.00 % (20.00) which produces a figure of £75.70 which is rounded up to £80.00. The capitalization percentage is similar to other Tribunal decisions.

18. As to the amount of arrears of ground rent to be paid, section 19 of the Limitation Act 1980 provides that only 6 years of arrears are collectable. Accordingly, the additional amount payable is £22.71.

19. The total is therefore £102.71.

Signed Tribunal Judge:

TE Richards - Clarke

Dated this 2nd day of May 2024