



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : **MAN/00CA/OAF/2023/0004**

Property : **4a Gloucester Road, Birkdale,
Southport, PR8 2AU**

Applicants : **Loretta Anne Watson
John Philip Arthur Baird**

Representative : **Mr Orme**

Respondent : **Persons Unknown**

Representative : **N/A**

Type of Application : **Houses and Premises – Leasehold
Enfranchisement: Missing Landlord
S21(1)(cza), S21(2) and S27(5) of the
Leasehold Reform Act 1967**

Tribunal : **Valuer Chair J Fraser FRICS**

Date of Decision : **14th June 2023**

DECISION

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- (1) The Tribunal determines that the price to be paid for the Freehold interest in 4a Gloucester Road, Birkdale, Southport, PR8 2AU is £225.00.**
- (2) The amount of pecuniary rent payable in accordance with section 27(5)(b) of the Leasehold Reform Act 1967 is £94.50.**

REASONS

Background

1. The Tribunal has received an application under sections 21(1)(c), 21(2) and 27(5) of the Leasehold Reform Act 1967 (“the Act”). The application arises following an application made to the County Court for a Vesting Order in the case of a missing Freeholder. On the 9th January 2023 District Judge Lampkin sitting at the County Court at Liverpool ordered that the Applicants may apply to the First-tier Tribunal (Property Chamber) for the determination of the price payable for the Freehold interest in accordance with Section 27(5) and Section 9 of the Act. This is the sole issue for the Tribunal to determine.
2. On the 28th March 2023, Ms Elena Dudley, Legal Officer of this Tribunal, gave directions to the Applicants to provide a bundle of documents in support of their application including; a statement of case; valuation evidence; a full copy of the leasehold and freehold land registers if so registered and any other documents that the party wishes to rely upon. That evidence has been provided along with supporting information provided for the County Court application and details of extensive enquiries made to establish the Rateable Value of the subject property.
3. The Tribunal considers it appropriate for the matter to be determined by way of a paper determination and, as no submissions have been received for an oral hearing, the application has been determined on the papers.
4. The Tribunal has not inspected the property.

The Law

5. Section 27(5) of the Act provides:

The appropriate sum which in accordance with Section 27(3) of the Act to be paid in to Court is the aggregate of:

- a. Such amount as may be determined by (or on appeal from) the appropriate Tribunal to be the price payable in accordance with Section 9 above; and*

- b. The amount or estimated amount (as so determined) of any pecuniary rent payable for the house and premises up to the date of the Conveyance which remains unpaid.*

The Property and Lease

6. The bundle includes a copy of past sales particulars which show that the property comprises a detached house and garage comprising three bedroom accommodation, set over two storeys, with the first floor accommodation contained within the former loft space.
7. The Property is registered with Leasehold Title Number MS461930 and it is held on an under-lease for a term of 999 years (less 3 days) from 25th March 1945 at a ground rent of £15 and 15 shillings per annum (£15.75).
8. Despite extensive enquires, the head-lease cannot be found and the Applicants believe it was for a term of 999 years from the 25th March 1945.

The Premium

9. The Tribunal is required to determine the premium payable for the Freehold Interest, calculated in accordance with section 9 of the Act. Section 9 sets out the premium to be paid to enfranchise and the valuation basis to be adopted. The valuation date adopted is the 17th November 2022 being the date of the application to the County Court, therefore the term remaining as at the valuation date is circa 921 years.
10. To support the application the Tribunal is provided with a statement and valuation calculation prepared by Mr Andrew Orme of Orme Associates who prepares a valuation in accordance with section 9(1) of the Act. Mr Orme's statement includes a declaration and complies in part with the requirements of Rule 19 of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013, albeit does not summarise his qualifications or relevant experience. Nonetheless the Tribunal notes its contents.
11. The Tribunal is provided with details of the enquiries made to establish the Rateable Value of the property. It has not been possible for the Applicants to establish the Rateable Value on the Relevant Date, the Applicants state within their signed Witness Statements that they have received a letter (not provided to the Tribunal) from the water supplier United Utilities confirming that the supplier last adopted a Rateable Value of £422 in the period 1999 - 2002, assumed to be the Rateable Value prior to the introduction of Council Tax in 1993. The historic Rateable Value is required to determine the valuation basis (original or special) in accordance with Section 9 of the Act, however, given the long unexpired lease term, the Tribunal notes that the premium would remain the same regardless of the valuation basis adopted and therefore accepts the basis as being the original basis under section 9(1).

12. Mr Orme capitalises the ground rent for the remainder of the term, 921 years, at a capitalisation rate of 7% to arrive at £225. Mr Orme adopts a nil value for the first reversion to a modern ground rent and a nil value for the ultimate reversion, which occur in 921 and 971 years respectively. The Tribunal agrees that there is no value to the reversionary interest and agrees that 7% is an appropriate capitalisation rate reflecting that the ground rent is low and fixed for the entirety of the term. The Tribunal accepts Mr Orme's valuation of £225.
13. The pecuniary rent payable in accordance with section 27(5)(b) of the Act has been calculated in accordance with the six-year limitation period. The Applicants confirm that ground rent has not been collected or demanded during their period of ownership and that the sellers also confirmed that ground rent was not paid during the seller's ownership. The ground rent payable is £15.75 per annum, equating to £94.50 for the six-year limitation period.

Signed: J Fraser
Valuer Chair of the First-tier Tribunal
Date: 14th June 2023