



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

Case Reference : **MAN/00EQ/OAF/2022/0036**

Property : **10 Woodford Road
Poynton
Stockport
Cheshire
SK12 1DY**

Applicants : **Michael John Flitt &
Suzanne Margaret Flitt**

Representative : **Gorvins LLP**

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
H Clayton JP**

Date of Decision : **27th February 2023**

DECISION

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The Tribunal determines that the total price to be paid, in accordance with section 27(5)(a) of the Leasehold Reform Act 1967, for the freehold interest in 10 Woodford Road, Poynton, Stockport, SK12 1DY is £71.00.

The amount of pecuniary rent payable, if any, in accordance with section 27(5)(b) of the Leasehold Reform Act 1967 is to be determined by the County Court.

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 24th March 2022 Deputy District Judge McNall sitting at the County Court at Manchester 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)(a) of the Act. This is the sole issue for the Tribunal to determine.
2. Following the application to the Tribunal, on the 12th October 2022, Legal Officer Elena Dudley gave directions for the Applicants to provide a bundle of documents containing a statement of case; valuation evidence and any other document that the party wishes to rely on. Those documents have been provided. Further, it was directed that the Tribunal considers it appropriate for the matter to be determined by way of a paper determination. No submissions have been received for an oral hearing and subsequently the application has been determined on the papers.
3. The Tribunal has not inspected the property.

The Law

4. 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

5. To support the application the Tribunal is provided with a valuation report prepared by Mr Gareth Kreike BSc (Hons) MRICS of Longden & Cook Real Estate Limited, dated 21st November 2022. The valuation report is not presented as an Expert Witness Report and does not contain the usual statement of truth and declarations as required by Rule 19 of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013, however the Tribunal notes its contents.
6. Mr Kreike did not inspect the property, he describes it as "...a detached house facing open land with the link road in a cutting. The front garden is surfaced for parking and there is a long rear garden. The house has been extended".
7. The Property is registered with Leasehold Title Number CH458812, the lease is not available however the Title Register states that it is held on a long lease for a term of 999 years (less 10 days) from 25th March 1932 at a ground rent of £5 per annum.

The Premium

8. 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 is the 16th November 2021 (being the issue date of the application to the County Court), therefore a term remaining of circa 909 years.
9. The Tribunal refers to the aforementioned report of Mr Kreike who prepares a valuation in accordance with section 9(1) of the Act and states "this assumption has been made because the rent is low" albeit does not set out if enquiries have been made to establish the Rateable Value of the property as at the relevant dates. However, lacking an alternative narrative the Tribunal accepts the valuation basis of section 9(1) and considers that, given the long lease term remaining, the difference in premium between the original and special valuation basis (section 9(1A)) would be nil.
10. Mr Kreike capitalises the ground rent for 100 years at a capitalisation rate of 6% to arrive at £83,33, say £84.00. Mr Kreike adopts a nil value for the first reversion to a modern ground rent and a nil value for the ultimate reversion, which occur in circa 909 and 959 years respectively. The Tribunal agrees that there is no value to the reversionary interest.
11. Having regard to the principles established in *Nicholson v Goff* [2007] 1 ECLR 83 the Tribunal considers that a capitalisation rate of 7% would be more suitable (as the ground rent is low at £5 per annum and fixed) and capitalises the ground rent at 7% for the remainder of the term to arrive at £71.43, say £71.00. As there is no value to the reversionary

interest, the price payable in accordance with section 27(5)(a) of the Act is £71.00

12. The pecuniary rent payable in accordance with section 27(5)(b) of the Act is not determined. Judge McNall has ordered that the applicants provide a schedule of rents falling within the 6-year limitation period and will determine what, if any, pecuniary rent is payable.

Signed: J Fraser
Valuer Chair of the First-tier Tribunal
Date: 27th February 2023