



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

Case reference : **BIR/00CN/OAF/2023/0011**

Property : **136 Queens Head Road, Birmingham, B21
0RW**

Applicant : **Mr Ramesh Tangri**

Representative : **Adcocks Solicitors Limited**

Respondent : **Mr Adeyemi Okikiade and Ms Lydia
Olufolashade Okikiade**

Representative : **Not applicable (missing landlord)**

Type of application : **Application under sections 21(2) and
27(5) of the Leasehold Reform Act 1967
("the 1967 Act")**

Tribunal members : **Ian B Holdsworth FRICS
Vernon Ward FRICS**

Venue : **Remote**

**Date of paper
determination** : **16 October 2023**

DECISION

Decisions of the Tribunal

- (1) The tribunal determines that the price to be paid by the applicant for the purchase of the freehold on statutory terms is **£37,988**.

The Background

1. This is an application under section 21 (1) (a) of the 1967 Act pursuant to an order made by Deputy District Judge Lockrayne sitting at the County Court at Birmingham on 26 June 2023 (“**the order**”).
2. Sections 21(2) and 27(5) of the 1967 Act concerns claims for the purchase of the reversionary freehold interest where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 27(5)(a) of the 1967 Act, the role of the tribunal is to determine the appropriate sum to be paid into court in respect of the landlord’s interests.
4. The applicant in this matter is Mr Ramesh Tangri. He is the qualifying tenant of 136 Queens Head Road, Birmingham, B21 0RW (“**the Property**”) with a long tenancy within the meaning of section 3(1) of the 1967 Act. The respondent freehold owners are Mr Adeyemi Okikiade and Ms Lydia Olufolashade Okikiade.
5. On 23 March 2023, the applicant made a Part 8 Claim at Birmingham County Court for an order pursuant to section 21(1) of the 1967 Act seeking the freehold of the Property. It is noted that the Application at Page 2 of the bundle is date stamped 23rd March 2023. The issue date is shown as 24 April 2023.
6. The applicant has been unable to ascertain the whereabouts of the respondent. The applicant subsequently applied for a vesting order under section 27(1) of the 1967 Act. The vesting order was granted subject to the determination of this tribunal.
7. The applicant has provided the tribunal with a valuation report prepared by Mr Geoffrey R Bates BA FRICS, a Consultant Chartered Surveyor acting on behalf of Adcocks Solicitors dated 7 July 2023.
8. Mr Bates is of the view that the premium to be paid for the freehold is £31,500 as at the valuation date of 23rd March 2023.

The Determination

9. After careful scrutiny the tribunal accepts the opinions expressed by Mr G R Bates in his valuation report dated 7 July 2023 save that:
 - (i) The tribunal has adopted a Standing House Value in vacant possession of £140,000. The Expert provides no cogent evidence to support his assertion that the

cost of carrying out necessary repairs to the property amount to £60,000 and the value of the dwelling in current condition is £105,000. The tribunal has reviewed the photographic evidence and based upon their knowledge and experience determined reduced detriment caused to the property value by the current disrepair. It is the tribunal opinion that the diminution in value caused to the Standing House Value by the defects shown in the submitted photographs amounts to £20,000.

- (ii) The tribunal adopt a lower capitalisation rate of 6.5% for the current rent passing than proposed by the Expert. This is in accordance with the guidance offered in the decision *Nicholson and others v Goff 2007 EGLR 83*.
 - (iii) The Applicants Expert has allocated 30% of the Entirety Value to the site value. The tribunal has reviewed the site size and shape and deemed a higher apportionment of 35% of value should be adopted.
10. An adjusted calculation that adopts the revised parameters listed in (i)-(iii) results in a freehold purchase premium of **£37,988**. A copy of the tribunal's valuation is attached to this decision.
 11. Accordingly, the tribunal determines that the premium to be paid in respect of the purchase of the freehold of the property is **£37,988**.
 12. This matter should now be returned to the County Court sitting at Birmingham under Claim Number **KoobM664** in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

Appendix A : Premium Valuation

Property:		136 Queens Head Road, Birmingham B21 0RW	
Lease Data			
Lease Term:		24/06/1934	
Lease Expiry date:		23/06/2033	
Length of Term:		99 Years	
Valuation date		23/03/2023	
Unexpired term as at valuation date:		10.25 Years	
Rent receivable by landlord :			
Payable from valuation date for 10.25 years	£	5.25	
Rates:			
Capitalisation rate (%)		6.50	
Deferment rate (%)		5.25	
Decapitalisation rate (%)		5.25	
Values			
Entirety Value	£	165,000	
Standing House Value	£	140,000	
Term 1			
Ground rent payable	£	5.25	
YP @ 10.25 years @ 6.5%		7.31685	£ 38
Total term value			£ 38
First Reversion			
Section 15 Ground Rent			
Entirety value		£ 165,000	
Site apportionment at 35% of Entirety value	35.0%	£ 57,750	
Decapitalisation rate at 5.25%	5.25%	£ 3,032	
YP @ 50 years @ 5.25%		17.57281	
Deferred @ 10.25 years @ 5.25%		0.59187	
Years Purchase		10.4008	
First Reversion value			£ 31,534
Standing House Value in current condition			
		£ 140,000	
Deferred @ 60.25 years @ 5.25%	0.04583		
Second reversion value		£ 6,415.73	£ 6,415.73
Freehold Purchase Premium			£ 37,988

RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional Office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional Office within 28-days after the Tribunal sends written reasons for the Decision to the person making the application.
3. If the application is not made within the 28-day time limit, such application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie, give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.