



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

Case reference : **BIR/00GG/OAF/2023/0025**

Property : **4 Swan Street, Broseley TF12 5HW**

Applicant : **Ms Rachel Lucy Parker**

Respondent : **Persons Unknown**

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

Type of application : **Application under sections 21(1) 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 : **13 March 2024**

DECISION

Decision 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 the nominal sum of **£91**.

The Background

1. This is an application under section 21 (1) (a) of the 1967 Act pursuant to an order made by District Judge England sitting at the County Court at Stoke on Trent on 13 November 2023 (“**the order**”).
2. Sections 21(1) 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. This to be done in accordance with section 9 of the 1967 Act.
4. The applicant in this matter is Ms Rachel Lucy Parker. She is the qualifying tenant of 4 Swan Street, Broseley TF12 5HW (“**the Property**”) with a long tenancy within the meaning of section 3(1) of the 1967 Act. The respondent freehold owners or owner are Persons Unknown.
5. On 30 October 2023 following an Application to Court on 19 October 2023, a Part 8 Claim was issued in the County Court at Telford for an order pursuant to section 21(1) of the 1967 Act seeking the freehold of the Property.
6. The applicant has been unable to ascertain the whereabouts of the respondents. 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 14 November 2023.
8. Mr Bates is of the view that the premium to be paid for the freehold is £90 as at the valuation date adopted of 19 October 2023.

The Determination

9. It is acknowledged by the tribunal that the long dated reversionary interest held by the freeholder is material to the enfranchisement premium value in this application. The term remaining at the valuation date is 236.5 years. However after review of the opinions expressed by Mr G R Bates in his valuation report dated 14 November 2023 the tribunal agree save that:

- i) The Expert has allocated 35% of the Entirety Value to the site value. The tribunal has reviewed the site size, shape and location of the property site. It has had regard for the large plot the property occupies which is significantly larger than the neighbouring properties. The tribunal has had regard for the guidance offered in Upper Tribunal decision *Sabah El-Gadhy, Zara El-Gadhy v Liverpool City Council (LRA/78/2015)* on the appropriate percentage of the entirety value attributable to the site. It has deemed 45% of the Entirety Value should be adopted as the apportioned site value.
 - ii) The Expert provides no evidence to support his contention that the Entirety value with vacant possession and Standing House value is £180,000. The Tribunal based upon their experience and knowledge of property values in the locality determine an Entirety value and Standing House value of £250,000 as at the valuation date.
 - iii) In accordance with the guidance offered in *Nicholson and Goff (2007) 1 EGLR 83* the freeholders ground rental revenue is capitalised at 7%.
10. An adjusted calculation that adopts the revised parameter listed above at (i)–(iii) results in a nominal freehold purchase premium of **£91**. 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 **£91**.
 12. This matter should now be returned to the County Court sitting at Stoke on Trent under **Claim Number K01SQ419** in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

13 March 2024

Appendix A : Premium Valuation

Property:		4 Swan Street, Broseley TF12 5HW	
Lease Data			
Lease commencement date:		7/04/1759	
Lease Expiry date:		06/04/2259	
Length of Term:		500	Years
Valuation date		19/10/2023	
Unexpired term as at valuation date:		235.50	Years
Rent receivable by landlord :			
Payable from valuation date for 235.5 years	£	6.30	
Rates:			
Capitalisaton rate (%)		7.00	
Deferment rate (%)		5.25	
Decapitalisation rate (%)		5.25	
Values			
Entirety Value	£	250,000	
Standing House Value	£	250,000	
Term 1			
Ground rent payable	£	6.30	
YP @ 235.5 years @ 7%		14.28571	£ 90
Total term value			£ 90
First Reversion			
Section 15 Ground Rent			
Entirety value		£ 250,000	
Site apportionment at 45% of Entirety value	45.0%	£ 112,500	
Decapitalisation rate at 5.25%	5.25%	£ 5,906	
YP @ 50 years @ 5.25%		17.57281	
Deferred @ 235.5 years @ 5.25%		0.00001	
Years Purchase		0.0001	
First Reversion value			£ 1
Standing House Value in current condition			
Deferred @ 285.5 years @ 5.25%		0.0000	
Second reversion value	£	0	£ 0
Freehold Purchase Premium			£ 91
Notes:			
1. The price for freehold is calculated in accordance with the Leasehold Reform Act 1967 S9 as amended.			
Section 9(1) valuation basis in accordance with RV less than £1000 as at March 1990.			

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.