



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

Case reference : **BIR/00CR/OAF/2024/0007**

Property : **66 Marlborough Road Dudley DY3 1BL**

Applicants : **Michael Samuel Jones and Barbara Jones**

Representative : **Adcocks Solicitors
(Ref: DF/J10225-0001)**

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 : **26 July 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 **£2,086**.

The Background

1. This is an application under section 21 (1) (a) of the 1967 Act pursuant to an order made by His Honour Judge Rawlings sitting at the County Court at Birmingham on 1 March 2024 (“**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 applicants in this matter are Michael Samuel Jones and Barbara Jones. They are the qualifying tenants of 66 Marlborough Road Dudley DY3 1BL (“**the Property**”) with a long tenancy within the meaning of section 3(1) of the 1967 Act. The respondent freehold owners are the successors in title to Mr William Taylor and Mrs Mary Taylor.
5. On 22 November 2023 following an Application to Court on 3 November 2023, a Part 8 Claim was issued at Dudley County Court for an order pursuant to section 21(1) of the 1967 Act seeking the freehold of the Property. The Application was transferred to Birmingham Business and Property Courts by order of District Judge Rouine dated 9 January 2024. The case number was changed at the Court transfer from KO0DD677 to the current allocated case number L30BMO04.
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 11 March 2024.
8. Mr G R Bates is of the view that the premium to be paid for the freehold is £1,800 as at the valuation date adopted of 3 November 2023.

The Determination

9. After scrutiny of the valuation report dated 11 March 2024 the tribunal accepts the opinions expressed by Mr G R Bates save that the Expert has allocated 30% of the Entirety Value to the site value. The tribunal has reviewed the site size, shape and location of the property. It has had regard for the size of the plot the property occupies which is larger than the neighbouring properties and the plot sizes of the comparable property transactions submitted by the expert. The dwelling is situated adjacent to a car parking area with a garage at the rear. There are gardens to front and rear of the dwelling.

The Upper Tribunal decision, *Sabah El-Gadhy, Zara El-Gadhy v Liverpool City Council (LRA/78/2015)* provides guidance on the matters to consider in determination of the appropriate percentage of the entirety value attributable to the site. In accordance with this guidance and previous Upper Tribunal decisions this tribunal has deemed 37.5% of the Entirety Value should be adopted as the apportioned site value in the premium valuation.

10. An adjusted calculation that adopts the revised Entirety Value parameter as described at paragraph 9 results in a freehold purchase premium of **£2,086**. 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 **£2,086**.
12. This matter should now be returned to the County Court sitting at Birmingham under **Claim Number L30BM004** in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

Appendix A : Premium Valuation

Annex A					
Property:	66 Marlborough Road Dudley DY3 1BL				
Lease Data					
Lease commencement date:		28/04/1712			
Lease Expiry date:		27/04/2092			
Length of Term:		380	Years		
Valuation date		03/11/2023			
Unexpired term as at valuation date:		68.50	Years		
Rent receivable by landlord :					
Payable from valuation date for 68.5 years	£	-			
Rates:					
Capitalisaton rate (%)		7.00			
Deferment rate (%)		5.25			
Decapitalisation rate (%)		5.25			
Values					
Entirety Value	£	164,000			
Standing House Value	£	164,000			
Term 1					
Ground rent payable	£	-			
YP @ 68.5 years @ 7%		14.14700	£	-	
Total term value			£	-	
First Reversion					
Section 15 Ground Rent					
Entirety value		£	164,000		
Site apportionment at 37.5% of Entirety value		37.5%	£	61,500	
Decapitalisation rate at 5.25%		5.25%	£	3,229	
YP @ 50 years @ 5.25%		17.57281			
Deferred @ 68.5 years @ 5.25%		0.03005			
Years Purchase		0.5280			
First Reversion value			£	1,705	
Standing House Value in current condition		£	164,000		
Deferred @ 118.5 years @ 5.25%		0.0023			
Second reversion value		£	382	£	382
Freehold Purchase Premium				£	2,086

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.