



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

Case Reference : BIR/00CR/OAF/2024/0013

Property : 7 Wansbeck Walk, Woodsetton, Dudley, West Midlands,
DY3 1DD

Applicants : Mrs Lisa Nicholls and Mrs Linda Plant as Executors to the
Estate of Margaret Jean Groves (deceased)

Representative : Talbots Law Ltd.

Respondent : William and Mary Taylor (missing landlord)

Representative : None

Type of Application : To determine the sum payable into Court by lessees to purchase
a freehold interest pursuant to Section 27 Leasehold Reform Act
1967 by Order of Dudley County Court of 8 August 2024.
Claim No: L00DD189

Tribunal Members : I.D. Humphries B.Sc.(Est.Man.) FRICS
V. Ward B.Sc FRICS

**Date and Venue of
Hearing** : None. Determined by paper submission

Date of Decision : **12 December 2024**

DECISION

Introduction

- 1 This is an application to determine the sum payable into Court by Lessees to purchase the freehold interest in 7 Wansbeck Walk, Woodsetton, Dudley, West Midlands, DY3 1DD where the landlord cannot be found, pursuant to Section 27 Leasehold Reform Act 1967 ('the Act').
- 2 The Lessees have been unable to locate the freeholder to serve Notice to acquire the freehold interest and applied to Dudley County Court for a Vesting Order on 24 April 2024. This was granted on 8 August 2024 by District Judge Newnham-Payne subject to assessment of the price by the First-tier Tribunal (Property Chamber).

The Law

- 3 There are two known interests in the property:

Freehold	Owned by parties unknown. The lease had been granted by William and Mary Taylor to James Newman for 380 years from 26 April 1712 at a peppercorn ground rent.
Leasehold	The Leasehold interest was registered to Leslie Groves and Margaret Jean Groves on 29 November 2001. The Applicants acting as Executors to the Estate of Margaret Jean Groves (decd.) received Grant of Probate dated 16 November 2023.

- 4 The Applicants wish to acquire the freehold interest. They had been unable to locate the freeholders to serve notice of acquisition and applied to Dudley County Court for a Vesting Order under Section 27 of the Leasehold Reform Act 1967. The Application was made on 24 April 2024 which is the date of valuation date under the Act.
- 5 The Court issued a General Form of Judgment or Order on 8 August 2024 subject to determination of the price by the First-tier Tribunal (Property Chamber).
- 6 The Tribunal has considered the facts and assesses the price under section 9(1) of the Act.

Facts Found

- 7 The Tribunal has not inspected the property and relies on the Submission of Miss S.L. Abel MSc MRICS of Messrs Lawrence & Wightman Chartered Surveyors dated 24 September 2024.
- 8 The property comprises a two bedroom bungalow on a housing estate near Dudley built around 1990. It is in the Woodsetton area of Dudley, in Wansbeck Walk, accessed via a shared drive to the rear of No.5 Wansbeck Walk. It is brick and tile construction. The accommodation comprises a living room, kitchen, two bedrooms and bathroom. There is an attached single garage, open plan front garden and enclosed back garden.
- 9 The property is in good condition.

Issues

- 10 The Court Order requires the Tribunal to determine the price of the freehold interest.

The price payable under section 9(1) of the Act

- 11 The Applicants submitted a Valuation Report prepared by Miss S.L. Abel MSc MRICS of Messrs Lawrence & Wightman Chartered Surveyors. The Tribunal's determination of each element of valuation is below:

12 ***Unexpired Term***

Applicant

68.04 years.

Tribunal

The Tribunal accepts the term from the Land Registry entry and agrees the unexpired term at the valuation date but for calculation purposes rounds to 68 years.

13 ***Value of Term Ground Rent***

Applicant

Nil. The ground rent is one peppercorn per annum recorded by H.M. Land Registry.

Tribunal

The Tribunal agrees.

14 ***Freehold Entirety Value***

'Entirety value' is the notional market value of a house that could reasonably have been expected to be built on the plot at the valuation date, assuming the plot had been fully developed to its maximum potential.

Applicant

Miss Abel values the freehold interest with vacant possession at 24 April 2024 at £275,000 based on sales records of other properties on the estate:

<u>Address</u>	<u>Description</u>	<u>Date</u>	<u>Price £</u>
32 Bosworth Close	A 2 bed detached bungalow of the same design and construction as the subject property. The property has a larger back garden and required modernisation.	Aug 2023	263,000
6 Westerdale Close	A 2 bed detached bungalow of the same design and construction as the subject property. The rear garden is similar.	Apr 2023	275,000
19 Bosworth Close	A bungalow with a similar plot size size plot but details of the internal accommodation had not been provided. It was understood to be in poor repair.	Jan 2023	238,000

Miss Abel re-gearred the sale prices of the comparables in line with the Land Registry house price index to reflect market movements from their dates of sale to the valuation date of 7 Wansbeck Walk, which produced the following re-gearred prices for comparison:

32 Bosworth Close	258,244
6 Westerdale Close	273,823
19 Bosworth Close	233,274

All the comparables are on the same estate, from which Miss Abel considered the Entirety Value to have been £275,000 at the valuation date.

Tribunal

The Tribunal agrees Miss Abel's assessment of an entirety value of £275,000 at 24 April 2024.

15 ***Site Value as Percentage of Entirety Value***

Applicant

Miss Abel considers the value of the plot to be 35% of the Entirety Value.

Tribunal

The Tribunal agrees.

16 ***Years Purchase***

Applicant

As there is a peppercorn ground rent the value of the term is nil and there would be no point determining the capitalisation rate.

Miss Abel submits the appropriate deferment rate to be 5.25% based on case law (see below) and experience of negotiating settlements in the West Midlands.

Tribunal

The Tribunal agrees.

Cases cited by Miss Abel:

¹ *Zuckerman v Trustees of the Calthorpe Estates* [2008] LRA 97.

² *Earl Cadogan v Sportelli* [2005] LRA 50

³ *JGS Properties Ltd. v King*[2017] UKUT 0233 (LC)

17 ***Freehold Standing House Value***

The 'standing house value' is the market value of the bungalow built on the site, excluding tenant improvements, assuming a freehold vacant possession sale.

Applicant

£270,000. Miss Abel considers the value of the existing bungalow, i.e. the 'Standing House' value, to be £5,000 less than the Entirety Value, as there is potential to increase the value of the existing house by adding a small extension.

Tribunal

The Tribunal agrees.

18 ***'Clarise reduction'***

Under *Clarise Properties Limited* [2012] UKUT 4 (LC), [2012] 1 EGLR 83, Valuers sometimes make allowance for the prospect of lessees remaining in occupation at the end of the lease under Schedule 10 to the Local Government and Housing Act 1989.

Applicant

Miss Abel makes no *Clarise* reduction as the lease expiry is so remote.

Tribunal

The Tribunal considers the date of lease expiry to be too remote to justify a *Clarise* reduction. Each case is considered on its merits but in this instance it is too far in the future and disregarded.

19 **Tribunal Valuation**

Based on the inputs, the Tribunal determines the value of the freehold interest as:

<u>Term 1</u>		£	0
<u>Term 2</u>			
Entirety Value	£275,000		
x plot ratio	<u>0.35</u>		
Plot Value	£ 96,250		
5.25% return	<u>0.0525</u>		
Equivalent rental value per s.15 of the Act	£ 5,053		
Years Purchase 50 years 5.25%	17.5728		
Present Value 68 years 5.25%	<u>0.030824</u>		£2,737
<u>Reversion</u>			
Standing House Value	£ 270,000		
Present Value 118 years 5.25%	<u>0.00238</u>		<u>£ 642</u>
			<u>£3,379</u>
Freehold Value	rounded to		<u>£3,380</u>

20 **Tribunal Determination**

The Tribunal determines the price of the freehold interest in accordance with section 9(1) of the Leasehold Reform Act 1967 to be £3,380 (Three Thousand Three Hundred and Eighty Pounds).

I.D. Humphries B.Sc.(Est.Man.) FRICS
Chairman

Date 12 December 2024

Appeal to the Upper Tribunal

Any appeal against this decision must be made to the Upper Tribunal (Lands Chamber). Prior to making such an appeal the party appealing must apply, in writing, to this Tribunal for permission to appeal within 28 days of the date of issue of this decision (or, if applicable, within 28 days of any decision on a review or application to set aside) identifying the decision to which the appeal relates, stating the grounds on which that party intends to rely in the appeal and the result sought by the party making the application.