



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER (RESIDENTIAL
PROPERTY)

Case reference : BIR/00CR/OAF/2024/0012

Property : 77 Bilston Street, Sedgley, Dudley,
DY3 1JA

Applicant : Gary Samuel Leach

Representative : Nick Plotnek Associates

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 February 2025

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 £3,485.

The Background

1. This is an application under section 21 (1) (a) of the 1967 Act pursuant to an order made by District Judge Mantle sitting at the County Court at Birmingham on 8 July 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 applicant in this matter is Mr Gary Samuel Leach. He is the qualifying tenant of 77 Bilston Street, Sedgley, Dudley, DY3 1JA ("the Property") with a long tenancy within the meaning of section 3(1) of the 1967 Act. The respondent freehold owners are unknown persons.
5. On 10 May 2024 following an Application to Court on 1 May 2024, a Part 8 Claim was issued in the County Court at Birmingham 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. It was stated in the order that the basis of the valuation should be under s9(1) and not s9(1A) of the 1967 Act.
7. The applicant has provided the tribunal with a valuation report prepared by Mr Nick Plotnek LLB; the sole Principal of Nick Plotnek Associates dated 5th October 2024.
8. Mr Plotnek is of the view that the premium to be paid for the freehold is £2,819 as at the valuation date adopted of 1st May 2024.

The Determination

9. After scrutiny the tribunal accepts the opinions expressed by Mr Plotnek in his valuation report dated 5th October 2024 save that:
 - (i) The Expert has allocated 33% of the Entirety Value to the site value. The Expert claims the property suffers from *"not being in the most attractive*

location, being on a fairly busy road and the site is fully developed". The tribunal has reviewed the site size, shape and location of the property through use of web based mapping and Google Maps . It notes the plot has access onto Bilston Street and a frontage onto Dormston Drive at the rear. There is also a distance of some 15-20m from the frontage of the house to Bilston Road and such a siting of the dwelling is likely to mitigate some of the traffic noise. There is no indication the site is "*fully developed*". The findings from the site review are material considerations in making a determination of site value. The tribunal has also 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 40% of the Entirety Value should be adopted as the apportioned site value.

- (ii) The Expert has taken £350,000 as the freehold value as of 1 May 2024. The tribunal has reviewed the advice offered by the three estate agents on value, the submitted sold property records and the results from marketing the property for sale in 2022. It is the opinion of the tribunal, based upon their experience and knowledge and review of submitted data that the lower opinion of value offered by Hunters Estate Agents should be discarded as it is an opinion of value which is not consistent with the other data. The average of the remaining opinions of value gives a freehold value of £370,000. This is the figure adopted by the tribunal as the freehold value as at 1st May 2024.
- 10. An adjusted calculation that adopts the revised parameters listed above at (i)–(ii) results in a freehold purchase premium of £3,485. 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 £3,485.
- 12. This matter should now be returned to the County Court sitting at Birmingham under Claim Number LOOBM845 in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

Appendix A : Premium Valuation

Annex A				
Property:		77 Bilston Street, Dudley, West Midlands DY 1JA		
Lease Data				
Lease commencement date:	1/10/1599			
Lease Expiry date:	30/09/2099			
Length of Term:	500		Years	
Valuation date	01/05/2024			
Unexpired term as at valuation date:	75.41		Years	
Rent receivable by landlord :				
Payable from valuation date for 75.41 years	£	-		
Rates:				
Capitalisation rate (%)	6.50			
Deferment rate (%)	5.25			
Decapitalisation rate (%)	5.25			
Values				
Entirety Value	£	370,000		
Standing House Value	£	370,000		
Term 1				
Ground rent payable	£	-		
YP @ 75.41 years @ 6.5%		15.25137	£	-
Total term value			£	-
First Reversion				
Section 15 Ground Rent				
Entirety value		£	370,000	
Site apportionment at 40% of Entirety value	40.0%	£	148,000	
Decapitalisation rate at 5.25%	5.25%	£	7,770	
YP @ 50 years @ 5.25%		17.57281		
Deferred @ 75.41 years @ 5.25%		0.02110		
First Reversion value			£	2,881
Standing House Value in current condition				
Deferred @ 125.41 years @ 5.25%	0.0016	£	370,000	
Second reversion value		£	604	£ 604
Freehold Purchase Premium				£ 3,485
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.