



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

<b>Case Reference</b>	:	BIR/00CR/OAF/2025/0002
<b>Property</b>	:	3 Calder Rise, Woodsetton, Dudley, West Midlands, DY3 1DB
<b>Applicant</b>	:	Graham Harry Nock
<b>Representative</b>	:	Talbots Law Ltd.
<b>Respondent</b>	:	William and Mary Taylor (missing landlord)
<b>Representative</b>	:	None
<b>Type of Application</b>	:	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 4 December 2024. Claim No.L00DD647
<b>Tribunal Members</b>	:	I.D. Humphries B.Sc.(Est.Man.) FRICS V. Ward FRICS Regional Valuer
<b>Date and Venue of Hearing</b>	:	None. Determined by paper submission
<b>Date of Decision</b>	:	<b>18 March 2025</b>

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**DECISION**

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## **Introduction**

- 1 This is an application to determine the sum payable into Court by a Lessee to purchase the freehold interest in 3 Calder Rise, Woodsetton, Dudley, West Midlands, DY3 1DB, where the landlord cannot be found, pursuant to Section 27 Leasehold Reform Act 1967 ('the Act').
- 2 The Lessee has been unable to locate the freeholder to serve Notice to acquire the freehold and applied to Dudley County Court for a Vesting Order on 11 November 2024. This was granted on 4 December 2024 by Deputy District Judge Holden subject to assessment of the price by the First-tier Tribunal (Property Chamber). County Court case reference LooDD647.

## **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 <sup>th</sup> April 1712 at peppercorn ground rent.
Leasehold	The leasehold interest was registered to the Applicant on 26 November 1987.
- 4 The Application for a Vesting Order was made under Section 27 of the Leasehold Reform Act 1967 on 18 November 2024 which is the valuation date for present purposes.
- 5 The Tribunal has considered the facts and assesses the price under section 9(1) of the Act.

## **Facts Found**

- 6 The Tribunal has not inspected the property and relies on the Submission of N.R. Plotnek LL.B. of Nick Plotnek Associates, Birmingham.
- 7 The property comprises a two storey, three bedroom, detached house on a modern housing estate near Dudley built around 1988. The accommodation comprises an entrance hall with cloakroom, through lounge, kitchen and store on the ground floor with three bedrooms and a bathroom on the first floor. It has an attached single garage. The property has an open plan front garden and enclosed back garden.
- 8 It is brick and tile construction with upvc double glazing and gas-fired central heating and in good condition.

## **Issue**

- 9 The Court Order requires the Tribunal to determine the appropriate sum to be paid into Court for the price of the Freehold interest.

## **Applicants' Submission and Tribunal Determination on Valuation Inputs**

### **10 *Basis of Valuation***

#### Applicants

Mr Plotnek submits that the valuation should be undertaken in accordance with section 9(1) of the Leasehold Reform Act 1967.

#### Tribunal

The Tribunal agrees.

### **11 *Unexpired Term***

#### Applicants

67.43 years from the valuation date, 18 November 2024.

Tribunal

The Tribunal accepts the term from the Land Registry entry and agrees the unexpired term at the valuation date.

12 ***Value of Term Ground Rent***

Applicant

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

Tribunal

The Tribunal agrees.

13 ***Freehold Entirety Value***

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

Applicant

Mr Plotnek provides the following records of property sales in the area for comparison:

<u>Address</u>	<u>Description</u>	<u>Date</u>	<u>Price £</u>
17 Roper Way, DY3 1BG	Detached house. 3 bedrooms, 3 receptions, no garage as converted to a reception.	On market	320,000
24 Roper Way, DY3 1BG	Semi-detached house. 2 bedrooms, 1 reception, garage.	On market	209,950
35 Brook Street, DY3 1AD	Detached house. 3 bedrooms, 2 receptions, garage.	On market	295,000
21 Roper Way, DY3 1BG	Detached house. 3 bedrooms, 2 receptions, 2 bathrooms, garage.	22.7.24	295,000
16 Shearing Close, DY1 3RQ	Detached house.	14.6.24	274,000
32 Bosworth Cl., DY3 1BJ	Detached bungalow.	18.8.23	263,000
7 Reynards Cl., DY3 1AH	Detached bungalow.	14.7.23	320,000

Of its own volition, the Tribunal also located the following sales in the locality recorded on the internet. No criticism is made of Mr Plotnek for not drawing them to the Tribunal's attention as they were sold after the valuation date of 3 Calder Rise and probably not recorded on the internet by the date of Mr Plotnek's Submission, but they are listed on this Decision as further evidence of market conditions at the time although carrying less weight as evidence than prior sales recorded at the valuation date.

4 Dearne Court, DY3 1DF	Detached house. 3 bedrooms, garage.	21.11.24	290,000
17 Bosworth Cl, DY3 1BG	Detached house. 3 bedrooms, garage.	12.12.24	315,000

Mr Plotnek submitted that 21 Roper Way presented the best evidence as it was a similar house in the area, sold only five months before the valuation date. No.3 Calder Rise had the benefit of an extra bathroom that justified increasing its value to £305,000. In Mr Plotnek's opinion, if the subject plot were fully developed, the maximum value of a hypothetical house that could reasonably have been built on the plot in November 2024, i.e. its 'entirety value', would have been £305,000.

#### Tribunal

The Tribunal considered this together with the two additional sales of similar houses recorded in the area. They were all similar in terms of description, accommodation and locality, 17 Bosworth Close being sold for slightly more at £315,000 and 4 Dearne Court slightly less at £290,000. However, there will always be slight variations from the arithmetic mean due to negotiations in the market but taking the sales of all the similar houses into account, the Tribunal agrees with Mr Plotnek's opinion of an Entirety Value of £305,000 at the valuation date.

#### 14 ***Site Value as Percentage of Entirety Value***

##### Applicant

Mr Plotnek contends an Entirety Value representing 34% of the value of the plot.

##### Tribunal

Applying its own general expertise, the Tribunal finds this figure to be low and finds for a plot percentage of 37%.

#### 15 ***Years Purchase***

##### Applicant

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

Mr Plotnek submits for a deferment rate of 5.25% based on case law (see below) and other valuations of the First-tier Tribunal (Property Chamber) in recent years.

##### Tribunal

The Tribunal agrees, although previous Tribunal decisions are not binding on the Decision.

##### Cases cited by Mr Plotnek:

<sup>1</sup> *Marshall v Chime Properties Ltd.* [BIR/00CN/OAF/2016/0009]

<sup>2</sup> *JGS Properties v King & Others* [2017] UKUT 233 (LC)

#### 16 ***Freehold Standing House Value***

##### Applicant

£305,000. Mr Plotnek considers the plot to be fully developed and deems the Standing House Value to be the same as the Entirety Value.

##### Tribunal

The 'standing house value' is the market value of the house built on the site, excluding any tenant improvements and that the Freehold is sold with vacant possession.

The Tribunal agrees that in this case, the Entirety Value and Standing House Value can be treated as the same, and determines at £305,000.

#### 17 ***Sch.10 Local Government & Housing Act 1989***

Under Schedule 10 to the Local Government & Housing Act 1989, Valuers sometimes make allowance for the prospect of occupiers remaining in occupation on expiry of the term which in this case would be April 2092.

### Applicant

Mr Plotnek makes no reduction to reflect the possibility of a lessee remaining in occupation on expiry of the lease under Schedule 10 to the Local Government and Housing Act 1989.

### Tribunal

The lease expires in 67.43 years' time which the Tribunal considers too remote to require a Schedule 10 reduction. Each case is considered on its merits but 67 years is considered too far in the future and disregarded.

## 18 **Tribunal Valuation**

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

<u>Term 1</u>		£	0
<u>Term 2</u>			
Entirety Value	£305,000		
x plot ratio	<u>0.37</u>		
Plot Value	£ 112,850		
5.25% return	<u>0.0525</u>		
Equivalent rental value per s.15 of the Act	£ 5,925		
Years Purchase 50 years 5.25%	17.5728		
Present Value 67.43 years 5.25%	<u>0.0317</u>		
		£3,300	
<u>Reversion</u>			
Standing House Value	£ 305,000		
Present Value 117.43 years 5.25%	<u>0.00246</u>		
		£ 750	
Freehold Value		<u>£4,050</u>	

## 19 **Other sums due to the Freeholder**

The Court Order determines that no other sums are due to the freeholder.

## 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 £4,050 (Four Thousand and Fifty Pounds).

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

Date

### **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.