



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

Case Reference : **MAN/00BY/OAF/2023/0018**

Property : **2 LYON ROAD, LIVERPOOL L4 0SS**

Applicant : **SHEILA LORANE MALONE**

Respondent : **PERSONS UNKNOWN**

Type of Application : **VALUATION OF FREEHOLD INTEREST
Section 9, LEASEHOLD REFORM ACT 1967**

Tribunal Members : **JUDGE A M Davies
TRIBUNAL MEMBER P Mountain**

Date of Decision : **13 February 2024**

DECISION

The value of the Respondent's freehold interest in 2 Lyon Road, Liverpool is £210.
The unpaid ground rent payable by the Applicant is £390.

The total sum payable by the Applicant for the freehold interest is therefore £600.

REASONS

1. On 21 June 2023 the Applicant applied to the County Court at Liverpool under Section 27(1) of the Leasehold Reform Act 1967 ("the Act") for an order that 2 Lyon Road, Liverpool ("the Property") be vested in her.

2. On 18 September 2023 District Judge Lampkin, being satisfied (a) that the Applicant is entitled to acquire the freehold of the Property pursuant to Part 1 of the Act and (b) that sufficient attempts had been made to trace the landlord but without success, ordered that the freehold of the Property shall be vested in the Applicant subject to her paying into court the price payable in accordance with section 9 of the Act together with any unpaid rent due up to the date of the conveyance.
3. The District Judge transferred the Applicant's claim to this tribunal for a determination of the price payable for the freehold title and the outstanding rent.
4. The Tribunal has not inspected the premises, but has seen valuation reports prepared for the Applicant by Ewe Move Sales and Letting Agents dated 5 September 2022 and 25 November 2023. These describe the Property as a two bedroomed end terrace house with one reception room. Comparing recent prices achieved for similar houses within one mile of the Property the agents valued it at approximately £89,000 in 2022 and £94,500 in 2023.
5. The Applicant's lease is dated 1st March 1985 and creates a term of 999 years from the date of the lease. The rent payable is £10 payable on the first of January in each year, the first payment becoming due on 1st January 1986.
6. Along with other properties, on 21 July 1881 the Property was subjected to a perpetual yearly rentcharge of £27. The Land Registry title of the Property (title number MS231472) states at Note 2, paragraph 1 of the Charges Register: "The registered estate was informally exonerated from this rentcharge by the registered Lease". The rentcharge has therefore not been taken into consideration on determination of the price payable for the freehold.
7. The valuation date adopted by the Tribunal is 21 June 2023 being the date the application was made to the court for a vesting order.
8. The valuation approach under s9(1) of the Act has three stages: (1) capitalise the annual rent until the expiry of the term of the lease, (2) calculate the modern ground rent and capitalise this for 50 years – then defer the capitalised sum to the date of valuation, and (3) defer the market value of the standing house for (1) plus

(2) (“the reversion”). In this case the unexpired term of the lease is 961 years and calculations (2) and (3) are not required, as in both cases the result is nil.

9. The Tribunal’s valuation is therefore:

Ground rent £10 x YP @ 4.75% = £210.00

	£
Enfranchisement price (excluding costs)	210.00
Rent due from 1986 to 2024 inclusive @ £10 pa	<u>390.00</u>
Total amount due from the Applicant:	600.00