



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

<b>Case reference</b>	:	<b>CAM/26UC/OAF/2024/0600</b>
<b>Property</b>	:	<b>16 High Street, Foulsham, Dereham, Norfolk, NR20 5RP</b>
<b>Applicants</b>	:	<b>Ms Louise Cobham (Leaseholder) &amp; Mr Simon Underwood (both as Trustees of Michael Cobham Will Trust)</b>
<b>Representative</b>	:	<b>Ward Gethin Archer Ltd (Solicitors)</b>
<b>Respondent</b>	:	<b>Persons Unknown (Freeholder)</b>
<b>Representative</b>	:	<b>None</b>
<b>Type of application</b>	:	<b>To determine the premium payable under S.9 as compensation to the landlord, arising from an application to enfranchise the freehold made by S.27 Leasehold Reform Act 1967 (“the Act”)</b>
<b>Tribunal</b>	:	<b>Mr N. Martindale BSc MSc FRICS</b>
<b>Venue</b>	:	<b>HMCTS, Cambridge County Court, 197 East St. Cambridge C1 1BA</b>
<b>Date of decision</b>	:	<b>6 May 2025</b>

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**DECISION**

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## Decision

The premium to be paid by the applicants for the freehold interest in the Property is **£4,572 Four thousand five hundred and seventy two pounds**).

## Introduction

1. This concerns an application made under Section 27 of the Leasehold Reform Act 1967 (“the Act”) for a transfer of the freehold of the Property. This determination is of the premium to be paid by the applicant leaseholders to the freeholder of the Property. The relevant legal provisions are set out in the Appendix to this decision.
2. The applicants, are the long leaseholders (and trustees) of the Property, being a small part of a much larger land holding in the lease. It is let under the terms of a lease which began on 16 May 1604. The lease was for 500 years. It will end on 15 May 2104.
3. The original 1604 lease is acknowledged by all to be lost and the rent due under the applicants’ current lease of its Property is nil. Leasehold title to the Property is registered at HM Land Registry under NK2023156. There is no known registered or unregistered freehold proprietor of the Property and so no respondent.
4. By order made of District Judge Raggett, issued 20 February 2024 in the County Court at Norfolk. The usual order of the Court in such applications would confirm that, and on the court being satisfied that the respondent could not be found, the respondent’s interest in the subject Property was vested in the applicants in accordance with section 27 of the Act. The Court ordered that “*2b) The appropriate sum to be paid into Court being the sum determined by the First Tier Tribunal (Property Chamber) as the ‘price’ in accordance with section 9 of the 1967 Act, plus an amount which the Court determines is the amount of any unpaid rent up to the date of Transfer.*”
5. The Court reserved approval of the final form of transfer, to itself.
6. The applicant did not include a copy of the Tribunal’s Directions that would have been issued after receipt of the application, inclusion of which is a standard direction.
7. The Tribunal now determines the premium payable at the antecedent valuation date, only. It remits determination of the remainder of the application back to the County Court for it to consider and determine:

The final form of transfer TR1; the deduction, if any, of the applicant's costs in this application, from that total premium sum.

### **Statutory basis of valuation**

8. Section 9 to the Act provides that the price to be paid by the purchaser for of the freehold interest shall be the aggregate of the value of the freeholder's interest and compensation for any other loss. No payment is made for the freeholder's share of any marriage value arising where the enfranchisement arose from one of the exceptions set out under S.1A of the Act. In this case it is represented by the Valuer at the bottom of the valuation sheet.
9. It is taken that the transfer qualifies as an enfranchisement made under Section 9(1A) of the Act because the rateable value of the Property as at April 1990 was not more than £500. Therefore the provisions of Section 9A which take account of compensation by the tenant for the landlord's loss of marriage value, do not apply to this transfer.
10. The value of the freehold interest is the amount which, at the valuation date, that interest might be expected to realise if sold in the open market subject to the tenancy by a willing seller (with the nominee purchaser, or a tenant of premises within the specified premises or an owner of an interest in the premises, not buying or seeking to buy) on the assumption that the tenant has no rights under the Act either to acquire the freehold interest or to acquire a new lease.

### **Applicants' Case**

11. The applicant has now provided a valuation report dated 23 April 2024 by John Mansfield FRICS of Brown & Co, Norwich (the "Valuation Report"). The report contains a formal Statement of Truth confirming that in so far as the facts stated in the report are within his own knowledge, that he believes them to be true and includes a statement of compliance confirming that they understand their duty to this Tribunal.
12. Having considered the contents of the Valuation Report and the opinions expressed in that report the Tribunal is satisfied that the method adopted is appropriate to determine the enfranchisement price for the Property. The Tribunal accepts the description of the Property and its location as stated in the Valuation Report. The antecedent valuation date is 16 November 2023, the date of the filing at Court of the claim.
13. Photographs of the exterior and interior of the Property were included in the Valuation Report. The Tribunal did not consider it necessary or proportionate to carry out an inspection of the Property.

## Valuation

14. According to the Valuation Report, the Property is a two level, narrow, detached house of traditional construction dating from the early 1800's of traditional construction. It is situated in the centre of the village of Foulsham, among other dwellings, opposite the primary school. There is on street parking. The Property is located in a small rural village in Norfolk some 18 miles north west of Norwich.
15. The Property is arranged 'end on' with a narrow frontage to the street. It is within the Conservation Area but, is not Listed. The GIA of the dwelling is about 121 m<sup>2</sup> (c.1300ft<sup>2</sup>). The windows are double glazed; heating of space and water by oil fired boiler.
16. There is scope for off road parking in the adjacent courtyard within the title lands through gates to the North side of the house, but this space is used as an outside space/ garden with the dwelling, rather than for vehicle parking. There is a pedestrian right of way over the yard in the title of the adjacent house to the South side of the house. This is the main access to the front door of the Property.
17. Rooms in the Property are small, with low ceilings. Rooms on the ground floor connecting directly rather than through a corridor space as at first floor level. Accommodation: Ground floor, 2 rooms, kitchen, study; first floor. 3 rooms, shower room.
18. The applicant leaseholder Ms Cobham references improvements in the Property by her since purchase of the title in 2021, including: Replacement; of the former bathroom with a shower room; of the older central heating boiler with a new oil version; of parts of the electrical and plumbing systems; and installation of an Aga oven range and paving part of the yard. It appears that the double glazing was added by a previous owner of the Property.
19. The Valuer reports the plot to the Property, having a frontage of 7.75m and depth of 17.15m and even that is small for a village centre dwelling. The Valuer referred to two similar Tribunal determinations in the same road, completed in 2022: Of Nos.18 and No.20 High St. adjacent. No.18 was smaller without scope for vehicle parking. For these reasons the Valuer adopts 40% attributable to the value of the structures, as with the determination at No. 20, having a similarly developed plot.
20. The Valuer now considers the plot to have been fully developed with no obvious potential to increase the size of the built structure further. Although provided any tenant's improvements are not a factor for a deduction under this route to enfranchisement.

21. At the valuation date 16 November 2024 (AVD) the unexpired residue of the 500 year lease from 16 May 1604, is reported as 80.51 years.
22. The Valuer's assessment of the market value is based on evidence of sales of the freeholds of local, comparable houses in the village, though none with as small a space as here as a proportion of the total land plot.
23. The Valuer adjusts the basic sale values of the comparables: for time using the HMLR data (all properties Broadland) market index and for their comparative advantage of space / design on each plot. He agrees that the approach is somewhat subjective.
24. The Valuer finds a range of unit values from £169 - £266/ ft<sup>2</sup>. That stated he prefers the comparable sales of Pearome and Foundry House (£260 - £263/ft<sup>2</sup>) here. He therefore adopts the unit value at £260/ft<sup>2</sup> for the Property, producing a freehold value of some £333,500 at AVD.
25. The unadjusted 7No. 'sale prices' provided in the Report, ranged from £230,000 to £395,000. All were located in Foulsham. However one comparable was under offer rather than sold; another remained at an 'asking price'. The comparable listed were said to be:
26. **No.1 45 Station Road**, sold October 2022 at £395,000. Detached, Victorian, 4 bedrooms, GIA 1360ft<sup>2</sup>, central heating, off road parking, garage. Adjusted for time, parking and garage, produced £357,648 (**£263/ft<sup>2</sup>**).
27. **No.2. Pearome**, sold November 2023 at £285,000. Semi detached 3 bedrooms, GIA 1068ft<sup>2</sup>, central heating, off road parking, garage. Adjusted for semi detached, time, parking and garage, produced £278,000 (**£260/ft<sup>2</sup>**).
28. **No.3. 16 Highfield Close**, 'under offer' June 2023 at £297,000. Detached, 3 bedrooms, modern, estate, GIA 981ft<sup>2</sup>, central heating, off road parking, garage, workshop. Adjusted for time, parking garage workshop, produced £260,818 (**£266/ft<sup>2</sup>**).
29. **No.4 10 Bexfield Close**, sold June 2023 at £267,500. Semi-detached, 3 bedrooms, 1950's ex Council, GIA 1160ft<sup>2</sup>, central heating, off road parking, garage. Adjusted for semi-detached garage and garden produced £216,413 (**£225/ft<sup>2</sup>**).
30. **No.5 4 Market Hill**, sold August 2023 at £234,026. Semi-detached 5 bedrooms, modern estate, neglected, GIA 1282ft<sup>2</sup>, garage, central heating, garage garden. Adjusted for garage and garden produced £216,026 (**£169/ft<sup>2</sup>**).

31. **No.6 75 Station Road**, sold May 2023 £230,000. Terraced cottage (Similar age to the Property). 3 bedrooms, 5 reception, needs updating, GIA 2830ft<sup>2</sup>. However owing to the condition and lack of full information on the property and sale the Valuer does not rely on this with which the Tribunal concurs.
32. **No. 24 High Street** for sale (at April 2024) asking £375,000. The Tribunal places no reliance on this comparable, as there was no sale at or around the AVD.
33. From this material the Valuer draws the conclusion that as at the valuation date, the freehold capital value, of the Property unencumbered, was £335,000. This is said to be based on the completed comparable sales provided in the Valuation Report but, especially on Pearome and Foundary House.
34. The Tribunal accepted that the first 5 comparables (even with one of these being under offer) as of assistance. No.6 lacked too much information and No.7 did not sell. Despite this the Tribunal is content with the conclusion via a unit 'price' approach, to find the capital value of the freehold of the Property with vacant possession. The Tribunal is content with the Valuer's adopted unit rate and the AVD as £335,000.
35. The value of the landlord's interest in the Property is represented first by the capitalised value of the ground rent receivable under their lease. That income stream is typically capitalised by the Valuer at 7%, which the Tribunal accepts is robust and appropriate in a case where the rent is at a very low and fixed level. However in this case, in the complete absence of any ground rent due this element has no value for which the landlord should be compensated. The term therefore has NIL value.
36. The second element of the landlord's interest is then represented by the hypothetical grant of a 50 year extension at the end of the existing 80 odd year term, but at a modern ground rent. The Valuer adopts the conventional approach of taking the freehold VP value of the house at the £335,000 referred to above, and a site value at some 40% of this, producing a sum of £134,000 for the site without a building. A yield expected from such investment is taken at 7%, resulting in a modern ground rent of £9,380 pa. Applying this same yield for the second term of 50 years creates a deferred site value of some £3,787.64.
37. The third element of the landlord's interest is the reversion to full vacant possession of the house £335,000 but, deferred some 80.51 years. Deferred at 4.75% yield following Sportelli as the Valuer suggests here, produces a final additional sum of £627.82. In this process the Valuer cites the 'Clarise Properties' case. The Valuer takes the view that the reduction in buyers for a 'tenanted' home as reason for them to make a substantial discount on this future value.

38. The Valuer adopts a discount of 20% to represent the increased difficulty in the freeholder obtaining full vacant possession from the leaseholder (by then a tenant of an assured tenancy under Scheduled 10 Local Government and Housing Act 1989) at lease end, rather than the more usual shorthand. Whilst this tenant pays market rent they would by that stage enjoy increased protection from eviction, in law. The Valuer cites FtT decisions on No.20 and No.18 High St. here, in support of a discount for the Property after the second reversion. However there is no market evidence in support of such discount and this Tribunal finds coincidentally, that none was given in those cases. The effects of this issue in any event, have an almost insignificant effect on the final premium to be paid which in this case is really quite distant.
39. The Tribunal takes the view that even at the AVD here, the market was already expectant that any future AST tenants might soon be enjoying increased protection from eviction, much more along the lines of an assured tenancy. Although these trends have some way to go, the Tribunal believes by the time of final lease end the market would anticipate such tenant protection to be in place. This would render no particular relative advantage to the resident tenant and therefore no particular disadvantage to the landlord at the end of the second reversion. The Tribunal makes no discount for this, here.
40. Although there are sometimes small amounts of unpaid rent added to the premium to be paid to the freeholder or their estate when found by the Court, as the rent is nil, there are no additional sums due, though this remains a matter for the Court to formally determine.
41. The Tribunal accepts the valuation approach, the three elements to be calculated, and the individual and total sum stated by the Valuer to be paid in his report save for removal of the discount: However the Valuer had applied a 20% discount applied to the distant capital value of the freehold at the end of the second reversion or third element of overall value of the premium.
42. This Tribunal therefore uses the accepted freehold capital value at £335,000, rather than use the Valuer's discounted value of £268,000 as set out above. This adjustment is very small but means the addition of £784.77 to the value of the second reversion, rather than of the Report's figure of £627.82 at that point. This represents an increase in the final premium of £156.95. It is the Tribunal's only alteration. The Tribunal has not therefore issued its own valuation.
43. The premium to be paid by the applicants for the freehold interest in the property is instead **£4,572 (four thousand, five hundred and seventy two pounds)**.

**Name: Neil Martindale**

**Date: 6 May 2025**

## **Appendix**

### **Leasehold Reform Act 1967**

#### **Section 27 Enfranchisement where landlord cannot be found**

(1) Where a tenant of a house having a right under this Part of this Act to acquire the freehold is prevented from giving notice of his desire to have the freehold because the person to be served with the notice cannot be found, or his identity cannot be ascertained, then on an application made by the tenant the court may, subject to and in accordance with the provisions of this section, make such order as the court thinks fit with a view to the house and premises being vested in him, his executors, administrators or assigns for the like estate and on the like terms (so far as the circumstances permit) as if he had at the date of his application to the court given notice of his desire to have the freehold.

(2) Before making any such order the court may require the applicant to take such further steps by way of advertisement or otherwise as the court thinks proper for the purpose of tracing the landlord; and if after an application is made to the court and before the house and premises are vested in pursuance of the application the landlord is traced, then no further proceedings shall be taken with a view to the house and premises being so vested, but subject to subsection (7) below—

(a) the rights and obligations of all parties shall be determined as if the applicant had, at the date of the application, duly given notice of his desire to have the freehold; and

(b) the court may give such directions as the court thinks fit as to the steps to be taken for giving effect to those rights and obligations, including directions modifying or dispensing with any of the requirements of this Act or of regulations made under this Act.

(3) Where a house and premises are to be vested in a person in pursuance of an application under this section, then on his paying into court the appropriate sum there shall be executed by such person as the court may designate a conveyance in a form approved by the court and containing such provisions as may be so approved for the purpose of giving effect so far as possible to the requirements of section 10 above; and that conveyance shall be effective to vest in the person to whom the conveyance is made the property



expressed to be conveyed, subject as and in the manner in which it is expressed to be conveyed.

(4) For the purpose of any conveyance to be executed in accordance with subsection (3) above, any question as to the property to be conveyed and the rights with or subject to which it is to be conveyed shall be determined by the court, but it shall be assumed (unless the contrary is shown) that the landlord has no interest in property other than the property to be conveyed and, for the purpose of excepting them from the conveyance, any underlying minerals.

(5) The appropriate sum which, in accordance with subsection (3) above, is to be paid into court is the aggregate of—

(a) such amount as may be determined by (or on appeal from) the appropriate tribunal to be the price payable in accordance with section 9 above; and

(b) the amount or estimated amount (as so determined) of any pecuniary rent payable for the house and premises up to the date of the conveyance which remains unpaid.

(6) Where a house and premises are vested in a person in accordance with this section, the payment into court of the appropriate sum shall be taken to have satisfied any claims against the tenant, his executors, administrators or assigns in respect of the price payable under this Part of this Act for the acquisition of the freehold in the house and premises.

## **Section 9 Purchase price and costs of enfranchisement**

(1) Subject to subsection (2) below, the price payable for a house and premises on a conveyance under section 8 above shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, (with the tenant and members of his family . . . not buying or seeking to buy) might be expected to realise on the following assumptions:—

(a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy but on the assumption that this Part of this Act conferred no right to acquire the freehold, and if the tenancy has not been extended under this Part of this Act, on the assumption that (subject to the landlord's rights under section 17 below) it was to be so extended;

(b) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges . . . to which section 11(2) below

applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances; and

(c) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10 below.

### **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If either party is dissatisfied with this decision, they may apply for permission to appeal to the Upper Tribunal (Lands Chamber) on any point of law arising from this Decision.

Prior to making such an appeal, an application must be made, in writing, to this Tribunal for permission to appeal. Any such application must be made within 28 days of the issue of this decision to the person making the application (regulation 52 (2) of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rule 2013).

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.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e., 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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).