



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

Case Reference : **MAN/00DA/OAF/2024/0017**

Property : **12 Pullman Crescent, Leeds LS12 6EJ**

Applicant : **Thomas Ashley Crawshaw**

Representative : **Adcocks Solicitors Limited**

Respondent : **Persons Unknown**

Type of Application : **Section 21(a) of the Leasehold Reform Act 1967**

Tribunal Members : **Tribunal Judge J.E. Oliver
Tribunal Member J. Fraser**

Date of Determination : **21st November 2024**

Date of Decision : **16th December 2024**

DECISION

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Decision

1. The price payable for the freehold interest in 12 Pullman Crescent Leeds is £258.
2. The Tribunal approves the draft transfer filed with the application.

Application

3. Thomas Ashley Crawshaw applied to Leeds County Court to acquire the freehold reversion of 12 Pullman Crescent Leeds (“the Property”) pursuant to section 27 of the Leasehold Reform Act 1967 (“the Act”).
4. Mr Crawshaw is the tenant of the Property, having acquired the leasehold interest, together with Stephanie Leanne Barnes on 18th December 2018, under Title Number YY115096. A Deed of Variation was completed on 2nd December 2021, providing for an amendment to the original transfer deed. On 11th January 2022 the leasehold interest was transferred to Mr Crawshaw.
5. The Property is “a house” as provided for by s. 2(1) of the Act.
6. The tenancy is a long tenancy as defined within s. 3(1) of the Act, the lease (“the Lease”) being granted on 25th March 1661 for a term of 500 years from 25th July 1661 at a peppercorn rent.
7. Mr Crawshaw was unable to serve a Notice of Tenant’s Claim as required by s. 8 of the Act as the identity and location of the freeholder was not known.
8. By an Order dated 4th April 2024 and pursuant to section 27(1) of the Act, the Court vested the freehold interest in the Property to Mr Crawshaw and transferred the application to the Tribunal for it to determine:
 - (1) the amount to be paid for the freehold
 - (2) the provisions of any conveyance.

The Property

9. The Tribunal did not inspect the Property but relied upon the description of it in a report prepared by Geoffrey Bates, a Consultant Chartered Surveyor employed by Mr Crawshaw’s solicitors.
10. The Property is a four-bedroom modern detached house built in 2018 and being part of a development by Taylor Wimpey. It comprises a living room, Kitchen/Diner, Cloakroom with W.C., four bedrooms, three bathrooms (2 en-suite) and an integral garage.
11. Mr Bates stated that, for the purposes of s.1((1)(a)(ii) of the Act, on the day the tenancy was entered into, the value of “R” did not exceed £25,000 under the

statutory formula under s.1(1)(a)(ii) of the Act. Further, the annual ground rent of one peppercorn is less than £250 per year and is therefore a “low rent” in accordance with s. 4(1)(ii) of the Act.

Determination

12. The Tribunal is required to determine the premium payable for the Freehold Interest, calculated in accordance with s. 9 of The Act. S.9 sets out the premium to be paid to enfranchise and the valuation basis to be adopted.
13. As at the valuation date of 1st February 2024 (the date of the application to the County Court), there is an unexpired lease term remaining of circa 137.47 years. In Appendix 2 his report, Mr Bates states:

“As the original lease was granted in 1661 the ‘house and premises’ has never had a rateable value. In my view, the individual tenancy cannot fall within sub-paragraph (i) [s.1(1)(a)(i) of the Act] and therefore sub-paragraph (ii) [(s.1(1)(a)(ii) of the Act) and by extension S9(1) applies”.

14. s.1(1)(a)(i) states:

(i) if the tenancy was entered into before 1st April 1990, or on or after 1st April 1990 in pursuance of a contract made before that date, and the house and premises had a rateable value at the date of commencement of the tenancy or else at any time before 1st April 1990, subject to subsections (5) and (6) below, the rateable value of the house and premises on the appropriate day was not more than £200 or, if it is in Greater London, than £400; and

Being built circa 2018, the property did not have a rateable value at any time prior to the 1st April 1990 and therefore cannot fall within subsection (i).

- s.1(1)(a)(ii) states:

if the tenancy does not fall within sub-paragraph (i) above, on the date the contract for the grant of the tenancy was made or, if there was no such contract, on the date the tenancy was entered into R did not exceed £25,000 under the formula-

$$R = \frac{P \times I}{1 - (1 + I) - T}$$

where—

P is the premium payable as a condition of the grant of the tenancy (and includes a payment of money's worth) or, where no premium is so payable, zero,

I is 0.06, and

“T” is the term, expressed in years, granted by the tenancy (disregarding any right to terminate the tenancy before the end of the term or to extend the tenancy);

15. The premium paid, if any, is not known. However, the Tribunal notes that for R to exceed £25,000, the premium paid would need to be at least £416,683, which, as at 25th March 1661, is considered highly unlikely. However for a valuation to fall within s.9(1), it must also meet the further value limits, and the value of R as computed above must not exceed £16,333 [s.9(1A)(ii) of the Act]. The premium paid would need to be at least £272,233 for R to exceed £16,333 and the Tribunal again considers this to be highly unlikely. The rent must also be at a low rent within s.4(1) of the Act and being a peppercorn the low rent test is satisfied.
16. Based on the information available, the Tribunal accepts the valuation basis as s. 9(1) and considers that given the long lease term remaining, the difference in premium between the original and special valuation basis (s.9(1A)) would not be significant in the circumstances, namely the long lease term remaining.
17. The valuation inputs adopted by Mr Bates are a term remaining of 137 years, £355,000 for the Freehold Vacant Possession Value (FHVP) and Standing House Value (SHV), a deferment rate of 4.75%, site value of 40%, the modern ground rent is decapitalised at 4.75% of the site value and recapitalised at 4.75% to arrive at a premium of £276. The ground rent is shown as nil and no element of premium is attributed to the term.
18. The Tribunal is presented with two comparable sales to support the FHVP figure of £355,000 and the Tribunal considers this value to be within acceptable valuation tolerances. The Tribunal has prepared a valuation calculation, in accordance with s.9(1) of the Act and based upon its own expert knowledge. The inputs adopted are as follows; an entirety value of £355,000 reflecting that the plot is considered to be fully developed, a site value of 35%, the modern ground rent is decapitalised at 6.00% of the site value and recapitalised at 6.00%, a deferment rate of 4.75% and a FHVP value of £355,000. The premium is £258 and a copy of the calculation is shown at the Appendix.
19. The Tribunal approves the draft transfer filed on behalf of Mr Crawshaw.

APPENDIX

First reversion							
Entirety Value						£355,000	
Value of site	35%					£124,250	
Modern ground rent	6.00%					£7,455	
Years purchase for	50	years	@	6.00%	15.76	£ 117,505	
Deferred for	137.47	years	@	4.75%		0.00170	
							£ 199.29
Second reversion							
Reversion to Freehold							
Vacant Possession Value						£355,000	
Deferred for	187.47	years	@	4.75%	0.0002		£ 59.15
						Premium	£ 258

RIGHT OF APPEAL

A person wishing to appeal this decision to the Upper Tribunal (Lands) Chamber must seek permission to do so by making a written application to the First-tier Tribunal at the Regional Office that has been dealing with the case.

The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

If the person wishing to appeal does not comply within the 28-day time limit, that person shall include within the application for permission to appeal a request for a extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.

The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.