

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	MAN/00CG/OAF/2024/0019	
Property	:	31 Highfield Lane, Handsworth, Sheffield. S13 9NA	
Applicant Representative	:	Cecilia Mary Mason O'Neill Patient Solicitors LLP	
Respondent	:	Robert Terrance Worrall and Cherie Smith (address unknown)	
Type of Application	:	Application under section 27(5) Leasehold Reform Act 1967	
Tribunal Members	:	Judge Watkin Mr S Wanderer MRICS	
Date and Venue of Hearing	:	Paper Determination 28 April 2025	
Date of Decision	:	30 May 2025	
		DECISION	

DECISION

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Decision

The freehold of the 31 Highfield Land, Handsworth, Sheffield S13 9NA shall be transferred to the Applicant on payment of the appropriate sum into Court.

The appropriate sum which is to be paid into court pursuant to the Court Order dated 23 April 2024 is £1,393.90 (££1,294 (purchase price) and £9.90 (unpaid rent).

The Background

- 1. The application was first issued by Part 8 Claim Form on 29 February 2024 in the County Court at Sheffield.
- 2. Within the Claim Form, Cecelia Mary Mason (the "Applicant") requests the following:
 - a. dispensation from serving the Application (as the Respondents cannot be found).
 - b. a transfer to the Tribunal for:
 - i. a declaration that she has a right to acquire the freehold of 31 Highfield Land, Handsworth, Sheffield S13 9NA (the "Property"), pursuant to section 27(1) of the Leasehold Reform Act 1976 (the "Act").
 - ii. determination of the purchase price.
 - c. An order vesting the freehold in her on payment of the sum determined by the Tribunal as the purchase price.
- 3. The Respondents are the freehold owners of the Property (the "Respondents").
- 4. On 23 April 2004, the County Court in Sheffield, amongst other matters ordered:
 - a. Service of the clam form and all further orders within the proceedings is dispensed with.
 - b. The matter be transferred to the Tribunal for determination of:
 - i. the terms of acquisition;
 - ii. any premium payable pursuant to section 27(5) of the Act in respect of the grant of new lease; and
 - iii. any other sums due between the parties.
 - c. That the Applicant shall pay the sum determined by the Tribunal into court and, thereafter, a conveyance/transfer transferring the estate to the Claimant shall be executed.
 - d. The Respondents pay the Applicant's costs of the Court proceedings.
- 5. The Tribunal notes the reference to a new lease within the Court Order dated 23 April 2024 and, in light of the content of the rest of the Court Order, the Claim Form and the attached witness statement, the Tribunal considers the reference to a new lease to be in error. The Tribunal interprets the Court order as referring to the transfer of the freehold only.

- 6. The Applicant has provided a witness statement dated 15 February 2024 in which she confirms the following in relation to her application for enfranchisement:
 - a. By a lease dated 15 January 1907 between The Most Noble Henry Duke of Norfolk (1) and John Redgwick and Elizabeth Redgwick (2), a 200 leasehold interest was granted in the Property together with 29 Highfield Lane, Sheffield, S13 9NA ("29 Highfield") from 25 March 1907 (the "Lease").
 - b. On 4 April 1990, the Respondents were registered as the freehold proprietors of the Property.
 - c. On 5 April 2017, Mr Nicholas James Kent was registered as proprietor of both the leasehold and freehold interests in 29 Highfield.
 - d. The Applicant was registered as the proprietor of the leasehold interest in the Property on 12 August 2021 and has, therefore, been the leaseholder for over 2 years.
 - e. The Property is a house within the meaning of the Act.
- 7. The Tribunal has not considered the question of service on the freeholder further as that has been dealt with by the Court.
- 8. From the above, it is noted that the Lease has around 81.9 years remaining unexpired as at today's date. As of the date of the court order, the unexpired term was c.82.91 years.

The Law

- 9. Part 1 of the Act confers a right to acquire the freehold (or extended lease) on the tenant of a leasehold house provided the necessary criteria are met.
- 10. Section 9(1) of the Act provides:
 - "(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.

The reference in this subsection to members of the tenant's family shall be construed in accordance with section 7(7) of this Act."

11. Section (2) requires that defects are taken into account:

"The price payable for the house and premises shall be subject to such deduction (if any) in respect of any defect in the title to be conveyed to the tenant as on a sale in the open market might be expected to be allowed between a willing seller and a willing buyer."

- 12. Where a landlord cannot be found, Section 27 of the Act provides:
 - "(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.
- (7) An application under this section may be withdrawn at any time before execution of a conveyance under subsection (3) above and, after it is withdrawn, subsection (2)(a) shall not apply; but where any step is taken (whether by the landlord or the tenant) for the purpose of giving effect to subsection (2)(a) in the case of any application, the application shall not afterwards be withdrawn except with the landlord's consent or by leave of the court, and the court shall not give leave unless it appears to the court just to do so by reason of matters coming to the knowledge of the applicant in consequence of the landlord being traced.
- (8) A conveyance executed under subsection (3) above shall have effect as provided by that subsection notwithstanding any interest of the Crown in the property expressed to be conveyed."

Directions

- 13. Directions were issued to the parties on 10 March 2025 indicating that the Application appeared suitable for determination by way of submission of written evidence and requiring:
 - a. The parties to notify the Tribunal within 28 days if they wish to make oral representations at a hearing before the Tribunal.
 - b. the Applicant to send the Tribunal and the Respondent a bundle of documents containing a statement of case, a valuation report, office copies of the Land Registry entries for the freehold and leasehold titles to the Property and other information relied on within 21 days.

14. It is not understood any request to make oral submissions at a hearing was received. As a result, the Application has been determined without a hearing.

Documents

- 15. The Tribunal has had the opportunity to consider the 77-page bundle of documents provided by the Application (the "Bundle").
- 16. The Bundle contains the Claim Form and Court documents, the valuation report, the office copies and the draft transfer form.

The Valuation

- 17. The Applicant has provided a valuation report by Mr Colin Horton and Darren Cooper of Project & Co (the "Report"). The Report provides a valuation of as of 23 April 2024 and notes:
 - a. The remaining length of the Lease at the date of valuation dated was 82.92 years.
 - b. Ground rent was £1.13s.0d which is take to be £1.65 per annum.
- 18. The valuation in the Report followed the usual three stage valuation process (lease term, followed by s.15 rent for 50 years, followed in turn by the reversion) and provided for the total value for the freehold interest of \pounds 1,183.

Decision

- 19. The Tribunal has considered the contents of the Application and is satisfied that the requirements for enfranchisement are met. Therefore, the terms of acquisition should be that the freehold interest in the Property is transferred to the Applicant.
- 20. The Tribunal has also considered the contents of the Report and offers the following comments.
 - a. Whilst the format and style of the Report is clear and the reasoning is broadly coherent, it appears that the Report has been prepared using a template and there are several errors. Although not all are of great significance, the number of errors in the Report is sufficient to give the Tribunal cause for concern about the level of care and attention that has gone into its preparation.
 - b. The Report does not comply with the RICS practice statement *Surveyors acting as expert witnesses*. An 'Expert Witness Declaration' is appended to the Report, but the wording of this declaration does not conform to the statement of truth set out in CPR part 35 and mandated under the RICS practice statement. Whilst some of the departure from the mandated wording goes to style rather than substance, there are a number of significant omissions. In particular, there is no confirmation that the expert is not instructed under a conditional or success-based fee agreement. The expert does not confirm there is no conflict of interest, and the Report provides no information about the valuers' instructions.

- c. As to the substance of the valuation, the Tribunal broadly follows the approach adopted in the Report, with the following exceptions:
 - i. The unexpired term is calculated with the Report as of 23 April 2024 as 82.92 years. However,82.93 years is then used within the valuation calculations. The correct valuation date is the date of Applicant's County Court claim, which was 15 February 2024, from which the Tribunal calculates the correct unexpired term to be 83.10 years.
 - ii. The Report adopts a term capitalisation rate of 15%. Although it makes very little difference to the overall valuation given the low level of ground rent payable, the Tribunal adopts a rate of 10%.
 - iii. The Report adopts a standing house/entirety value of £147,800. This is based upon analysis of three comparables as well as the 2021 sale of the subject property. The Tribunal is not persuaded by the analysis undertaken of the comparables, and notes that the adjustments applied are largely conjectural. The Tribunal adopts a standing house/entirety value of £160,000.
 - iv. The Report incorporates a 5.5% reduction applied to the entirety valuation noted as 'reduction for prospect of tenancy'. No further comment or explanation of this reduction is made in the Report. Given the length of the unexpired term, the Tribunal does not consider this reduction to be appropriate.
 - v. Taking into account the above, the Tribunal assess the appropriate consideration to be paid for the freehold is **£1,294**. The Tribunal's valuation is shown at Appendix 1 to this decision.
- 21. For the purposes of section 27(5)(b), it is noted that the Applicant is not in contact with the freeholder. Whilst she does not comment within her witness statement as to whether rent has been paid, the Tribunal considers it likely that she has not paid rent. In addition to the freehold value, therefore, the Applicant would be liable for arrears of rent at the rate, in decimal currency, of £1.65 per annum for any unpaid period up to a maximum of six years, equating to £9.90.
- 22. As there has been no response to the Application, there is no need to make an order for any costs to be borne by the Applicant.

Appeal

23. If either party is dissatisfied with this decision an application may be made to this Tribunal for permission to appeal to the Upper Tribunal, Property Chamber (Residential Property) on a point of law only. Any such application must be received within 28 days after these reasons have been sent to the parties under Rule 52 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

Judge R Watkin

30 May 2025

Appendix 1 – Valuation

Term 1								
Ground Rent					£	1.65		
YP (years)	83.10	@	10.00%			9.9964		
							£ 16	
Modern Ground Rent								
Entirety Value			£160,000					
Site Apportionment		@	30.00%					
				£48000				
				5.50%				
<u>Term 2</u>					£	2,640		
YP (years)	50	@	5.50%			16.9315		
PV £1 after (years)	83.10	@	4.75%			0.0211		
							£ 945	
Reversion								
Entirety Value					£	160,000		
PV £1 after (years)	133.10	@	4.75%			0.0021		
							£ 332	
Total								£ 1,294