



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

Case Reference	:	BIR/00CR/OAF/2025/0012
Property	:	1 Dormston Drive, Dudley, West Midlands, DY3 1JD
Applicant	:	Jacqueline Wendy Hartshorn, Katie Louise Slater and Jonathan Paul Hartshorn
Representative	:	Wall James & Chappell, Solicitors of 15 Hagley Rd., Stourbridge
Respondent	:	Parties unknown (missing landlord)
Representative	:	None
Type of Application	:	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 8 th July 2025. Claim No:MooDD286
Tribunal Members	:	I.D. Humphries B.Sc.(Est.Man.) FRICS V. Ward B.Sc FRICS
Date and Venue of Hearing	:	None. Determined by paper submission
Date of Decision	:	05 January 2026

DECISION

Introduction

- 1 This is an application to determine the sum payable into Court by Lessees to purchase the freehold interest in 1 Dormston Drive, Dudley, West Midlands, DY3 1JD where the landlord cannot be found, pursuant to Section 27 Leasehold Reform Act 1967 ('the Act').
- 2 The Lessees have been unable to locate the freeholder to serve Notice to acquire the freehold interest and applied to Dudley County Court for a Vesting Order on 16th May 2025. This was granted on 8th July 2025 by District Judge Cockayne sitting in Dudley County Court subject to assessment of the price by the First-tier Tribunal (Property Chamber).

The Law

- 3 The registered title at H.M. Land Registry records that the freehold is owned by parties unknown. The property is let by a 500 year lease granted on 1st October in the 41st year of the reign of Queen Elizabeth 1st (1 October 1599) at a rent of a 'rose flower'.
- 4 The Application to the County Court was made on 16th May 2025 which is the date of valuation for claims under the Act.
- 5 The Court issued a General Form of Judgment or Order on 8th July 2025 subject to determination of the price by the First-tier Tribunal (Property Chamber).
- 6 The Tribunal has considered the facts and assesses the price under section 9(1) of the Act.

Facts Found

- 7 The Tribunal has not inspected the property and relies on the Submission of Mr Andrew Perrin MRICS of Fraser Wood (Midlands) Ltd. dated 19th August 2025 to describe the location and accommodation and the Tribunal are grateful to him for his assistance in this regard.
- 8 The property comprises a two storey detached house on a housing estate in Sedgley near Dudley in the West Midlands, 4 miles south of Wolverhampton city centre and 3 miles north west of Dudley town centre. The property is in a small cul-de-sac off Bilston Street near Sedgley town centre. There are ten houses in the development, five in Bilston Street and five in Dormston Drive but only two are built to the same design of which the subject house is one.
- 9 The house is of brick and tile construction with an extension added around 1990. The accommodation comprises a hall, lounge, dining room and kitchen on the ground floor with three bedrooms and a bathroom on the first floor. It has a small drive with borders and off-road parking, a carport leading to a single garage and enclosed back garden.
- 10 The property has double glazing and gas-fired central heating and is in good condition.

Issues

- 11 The Court Order requires the Tribunal to determine the price of the freehold interest.

The price payable under section 9(1) of the Act

- 12 The Applicants submitted a Valuation Report by Mr Andrew Perrin MRICS which analyses each element of the valuation and submits for a freehold value of £2,809.96. The Tribunal has considered each element of the valuation and determines the price as below:

13 *Unexpired Term*

Applicant

74.38 years.

Tribunal

The Tribunal accepts the term from the Land Registry entry and agrees the unexpired term at the valuation date at 74.38 years, but for calculation purposes rounds to 74 years.

14 **Term Value**

Applicant

Mr Perrin applies a nominal ground rent of £1 p.a. as the value of a 'rose flower' rent which he capitalises at 6.5% to assess the present value.

Tribunal

The Tribunal notes that the ground rent recorded by Land Registry is a 'Rose flower' which is nominal, but as it is not even one rose flower per annum, we find its present value to be nil.

15 **Freehold Reversion**

On expiry of the contractual term, the Act provides for the grant of a new hypothetical lease for a term of 50 years at a 'modern' ground rent. In the absence of evidence of such rents, the Tribunal calculates a hypothetical ground rent by assessing the value of the highest value, hypothetical house that could be built on the plot, known as the 'Entirety Value', applying a notional percentage to the entirety value to represent the capital value of the plot, and devaluing the resultant figure at an annual rate of return to assess its equivalent rental value. This annual rental value or 'modern ground rent', is then capitalised for the term of the 50 year extension and discounted back to assess its present value which depends on the length of the unexpired contractual term.

16 **Entirety Value**

'Entirety value' is the notional market value of a house that could reasonably be expected to be built on the plot at the valuation date, assuming the plot were developed to its maximum potential. This is the first stage of assessing the 'modern ground rent'.

Applicant

Mr Perrin considers the Entirety Value to be £300,000 at 16th May 2025, based on sales of other properties recorded in the area:

<u>Address</u>	<u>Description</u>	<u>Date</u>	<u>Price £</u>
11 Avington Close, Dudley, DY3 3LN	Four bedroom detached house with side garage.	Mar 2025	394,000
25 Catholic Lane, Sedgley, DY3 3UF	Four bedroom detached house.	Mar 2025	420,000
93 High Park Cres., Sedgley, DY3 1QS	Four bedroom detached 1970s house.	Mar 2025	340,000
4 Ryecroft Close, Sedgley, DY3 3TG	Three bedroom detached house.	Feb 2025	322,500
2 St.Mary's Close, Sedgley, DY3 1LD	Three bedroom extended detached house.	Sep 2023	250,000
150 High Street, Sedgley, DY3 1RH	Three bedroom detached house.	Nov 2023	252,500
2 Turls Street, Sedgley, DY3 1HH	Two bedroom detached house.	May 2024	190,000

8 George Road, Sedgley, DY3 1HU	Three bedroom 1970s detached house.	Jun 2024	281,500
65 High Park Cres., Sedgley, DY3 1QZ	Three bedroom detached house.	Aug 2024	360,000
18 Larkwood Drive, Sedgley, DY3 3UQ	Three bedroom detached house.	Sep 2024	350,000
75 Queens Road, Sedgley, DY3 1HL	Three bedroom detached house.	Sep 2024	240,000
3 St.Mary's Close, Dudley, DY3 1LD	Three bedroom detached house.	Oct 2024	360,000

Tribunal

Having considered the evidence and looked at the exteriors of the houses listed above online in Google Streetview, the Tribunal agrees with Mr Perrins' assessment of an Entirety Value of £300,000.

17 ***Site Value as Percentage of Entirety Value***

Applicant

Mr Perrin considers the value of the plot to be 37% of the Entirety Value.

Tribunal

The Tribunal considers this to be high and bearing in mind the size of the plot, apportions the site value at 33% of the Entirety Value.

18 ***Capitalisation and Deferment rate of Entirety Value***

This is identified as 'Term 2' in the valuation below, i.e. the value of the 50 year extension.

Applicant

Mr Perrin applies a capitalisation and deferment rate of 5.25% to the modern ground rent, in line with court and tribunal decisions in *Earl Cadogan v Sportelli* [2005] LRA 50 and *Zuckerman v Trustees of the Calthorpe Estates* [2008] LRA 97.

Tribunal

The Tribunal agrees.

19 ***Reversion Value***

The value of the ultimate reversion depends on the value of the existing house on the plot known as the 'Standing House Value', multiplied by the deferment rate determined in paragraph 18 above which is 5.25%.

Applicant

Mr Perrin considers the value of the present house on site, assuming it were sold freehold with vacant possession, excluding tenant improvements, to be in this case the same as the Entirety Value of £300,000.

Tribunal

The Tribunal has considered the sales evidence above and agrees.

20 ***'Clarise reduction'***

Under *Clarise Properties Limited* [2012] UKUT 4 (LC), [2012] 1 EGLR 83, Valuers sometimes make allowance for the prospect of lessees remaining in occupation at the end of the lease under Schedule 10 to the Local Government and Housing Act 1989.

Applicant

Mr Perrin makes no *Clarise* reduction as the lease is not due to expire for 74 years and there is no prospect of the present tenants remaining in occupation at the end of the lease.

Tribunal

The Tribunal considers the date of lease expiry to be too remote to justify a *Clarise* reduction. Each case is considered on its merits but in this instance it is too far in the future and disregarded.

21 **Tribunal Valuation**

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

Term 1

£ 0

Term 2

Entirety Value £300,000

x plot ratio 0.33

Plot Value £100,000

5.25% return 0.0525

Equivalent 'modern' rental value per s.15 of the Act £ 5,250

Years Purchase 50 years 5.25% 17.5728

Present Value 74 years 5.25% 0.022675

£2,091

Reversion

Standing House Value £ 300,000

Present Value 124 years 5.25% 0.00175

£ 525

£ 2,616

Freehold Value rounded to

£2,600

22 **Tribunal Determination**

The Tribunal determines the price of the freehold interest in accordance with section 9(1) of the Leasehold Reform Act 1967 at £2,600 (Two Thousand Six Hundred 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.