



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

Case Reference : **MAN/00ET/OAF/2025/0004**

Property : **41 Marina Village, Runcorn, Cheshire WA7
3BH**

Applicants : **Darren John Wortley and Lindsay Anne
Wortley**

Representative : **Lease Law Limited**

Respondents : **Roger Beech and Teri Kay Beech**

Representative : **N/A**

Type of Application : **Section 27(5) of the
Leasehold Reform Act 1967**

Tribunal Members : **H. Lewis FRICS; Valuer Chair
J. Faulkner FRICS**

Date of Decision : **8th April 2026**

DECISION

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The Tribunal determines that the total price to be paid, in accordance with section 27 (5)(a) of the Leasehold Reform Act 1967, for the freehold interest 41 Marina Village, Runcorn, Cheshire WA7 3BH is £5,432.80 before costs.

The Tribunal determines that the amount of pecuniary rent payable in accordance with section 27 (5)(b) of the Leasehold Reform Act 1967 is £60.00.

In accordance with section 10 and section 21(2)(a) of the Act, the provisions to be included in the conveyance is approved in accordance with the proposed HMLR TRI included at page 359 the bundle

BACKGROUND

1. The application relates to the freehold interest in the premises of a house known as 41 Marina Village, Preston Brook, Cheshire, WA7 3BH.
2. The Tribunal has received an application under sections 21(1)(cza), 21(2) and 27(5) of the Leasehold Reform Act 1967 (“the Act”). The application arises following an application made to the County Court for a Vesting Order in the case of a missing Freeholder. The application is dated 08/11/2024.
3. On the 16 April 2024 District Judge Gray sitting at the County Court at St. Helens, St. Helens Courthouse, Corporation Street, St Helens, Merseyside, WAIO 1SZ ordered that the Applicants may apply to the First-tier Tribunal (Property Chamber) for the determination of the price payable for the Freehold interest in accordance with Section 27(5) and Section 9 of the Act.
4. Further, the applicants sought a determination on the provisions to be included in the conveyance in accordance with section 21(2)(a) of the Act. These are the sole issues for the Tribunal to determine.
5. The Tribunal is provided with a bundle of documents extending to 391 pages in support of the application including; witness statements, title registers and plans, lease, conveyances, Court Orders, application form, various correspondence and a valuation calculation.
6. The applicants through their legal advisers set out the relevant history as:
 - 6.1 The respondent was the previous legal owner of the house until the mortgage lender secured the leasehold interest as mortgagee in possession in or around 1988. The leasehold interest was subsequently purchased by the applicant on 18th May 2004. The respondent remained the owner of the freehold interest. It is this interest that the applicant in this matter is proposing to purchase. by exercising their rights under sections 21(1), 21(2) and 27(5) of the Leasehold Reform Act 1967.

- 6.2 The Notice of Claim required to make a claim in accordance with the Act cannot be served on the respondent in accordance section 8 of the Act because they cannot be found.
- 6.3 The application sets out the attempts made to locate the respondent in the particulars of claim made to the county court on 31st October 2024 and at paragraphs 6 (a) to (k) at pages 53 and 54 of the bundle.
- 6.4 The applicant in his witness statement dated April 1st 2025 also sets out the steps taken to locate the respondent.
- 6.5 As a consequence, the county court being satisfied at the attempts made to locate the respondent, and by virtue of Section 27(1) of the Act, it is ordered that the freehold to the Premises (registered title number CH283235) shall vest in the Claimants on such terms as may be determined by the First-tier Tribunal (Property Chamber). The matter was accordingly transferred to the Tribunal for the purpose of determining those Terms

The Law

7. Section 27(5) of the Act provides:

The appropriate sum which in accordance with Section 27(3) of the Act to be paid in to 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

The Inspection

8. The inspection was completed by the panel on the morning of 8th April 2026. Present was the tenant, Olgar Nefteribic. Neither the applicant or respondent were present or represented.
9. The property comprises of a semi-detached house built in the late 1970s with an integral garage and off street parking with gardens to front and rear. The property is described in greater detail within the report provided by the expert valuer Mr. Sumner at pages 263 and 264 of the bundle.

The Property and Lease

10. The property is 41 Marina Village, Runcorn, Cheshire WA7 3BH. The applicants are the leasehold registered owners of the house which was originally let on a lease dated 24 November 1978 for a term of 99 years from 1 May 1977 between (1) Whelmar Ship Canal Development Limited

and (2) Kevin Alfred Martin-Knighton and Moira Patricia Martin-Knighton ("the Lease"). Accordingly, the lease is scheduled to expire on 30th April 2076.

Expert Evidence

11. To support the application the Tribunal is provided with a valuation report and calculation prepared by Mr Richard Sumner of Chroma Surveyors, 21 Ellis Street, London, SW1X 9AL. The report includes a statement of truth, and information as to Mr Sumner's qualification and experience as required by Rule 19 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.
12. Mr Sumner inspected the property on 20th February 2026 and carries out a valuation under section 9 (1) of the Act adopting a valuation date of 8th November 2024. He arrives at a total premium payable of £3,976.00.
13. The evidence as to the appropriate valuation methodology to support the valuation basis adopted of s.9(1) is set out in paragraph 4.2 of the valuation report. Specifically, assuming the house was built in or around 1978, to qualify under Section 9 (1), the rateable value must not have been more than £500. As of 1990, according to the Water Board records, the rateable value was £250. Accordingly, Mr. Sumner maintains that it is a reasonable assumption that the rateable value as at 1978 would have been less than £500. In addition, the property also meets the further valuation limits of s.9(1).
14. The Valuer's assessment of the market value is based on evidence of completed sales set out in his report and briefly summarised as:

Address	Type	Sale Price	Sale date	HPI and other Adjustments	Tenure
37 Marina Village, Preston Brook, Runcorn, WA7 3BH	3 bed maisonette – 97.3 sqm.	£185,000	Oct 2024	£185,000	Leasehold – 100 years plus unexpired
71 Marina Village, Preston Brook, Runcorn, WA7 3BH	3 bed house – 117 sqm.	£180,000	Nov 2023	£192,196	Leasehold – 100 years plus unexpired (assumed)
49 Marina Village, Preston Brook, Runcorn, WA7 3BH	3 bed maisonette – 118 sqm.	£200,000	March 2025	£200,000	Leasehold – 100 years plus unexpired
75 Littlebourne, Murdishaw, Runcorn, WA7 6EY	Det. 3 bed house – 89 sqm.	£175,000	Dec 2024	£210,000	Freehold

15. In undertaking appropriate adjustments and applying a rate of £152 per square foot, Mr. Sumner concludes that the sum of £211,000 is considered appropriate for the long lease value of the subject property. This is rounded to £210,000, which includes the conservatory and integral garage.
16. Mr. Sumner then calculated the appropriate Section 15 rent and Reversionary value. He considered both the 'cleared site' approach which relies on comparable evidence and the more common 'Standing House' approach. Whilst the former approach is often preferred as being more reliable, the latter is commonly used due to lack of evidence.
17. The valuer seeks to rely on evidence of land values by citing 83 and 85 South Street, Liverpool L8 3TN which are vacant building plots. Analysis of sales when adjusted to the subject property would indicate a site value of 19.71% of Entirety Value.
18. Adopting the standing house approach, Mr. Sumner relies on the Lands Tribunal judgement in *Farr V Millersons Investment Ltd (1971)* which determined that "the proportion normally adopted outside central London varies, on the evidence between one-quarter and one-third", i.e. 25% to 33%. He adopts 25% as being appropriate based upon 'construction costs', site coverage and characteristics of comparable suburban housing plots.
19. Given the above, Mr. Sumner arrives at a site value of £50,000. Decapitalised at 5.5% provides a Section 15 Modern Ground Rent of £2,750. Mr. Sumner refers to the 5.5% rate as 'the current "standardised figure", generally agreed with surveyors in this region'. The 'Modern Ground Rent' is capitalised at 5.5% for 50 years deferred for the remainder of the lease being 51.45 years.
20. The calculation in 19 above contains errors as does the summary valuation at page 358 of the bundle. The site value should be a percentage of Entirety value which is stated as £210,000 and therefore, in accordance with Mr Sumners adopted percentage of 25%, the plot value should be £52,500. The unexpired term is 51.48 years. The lease expiry date is 30/04/2076.
21. Finally, Mr. Sumner considers the Reversionary Value and adopted a vacant possession value of £200,000 disregarding improvements including the conservatory extension. Mr. Sumner adopts a deferment rate of 5.5% using "Sportelli" as a benchmark and having regard to regional tribunal decisions.
22. It is relevant to note that Mr. Sumner makes no adjustment for Landlord's compensation or Schedule 10 rights.

The Valuation Basis

23. The Tribunal have first considered the valuation basis to be adopted. To be valued under section 9 (1), the house and premises must be within the financial limits specified under s.1 (1)(a), 1(5) or 1(6) of the Act, it must be

at a low rent within s.4 (1) of the Act and the rateable value of the house and premises on 31 March 1990 must be £1,000 or less in Greater London or £500 elsewhere.

24. 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.

25. The Tribunal proceeds to adopt the three stage approach under section 9(1) valuation methodology which requires the following:

(i) The capitalised value of the rent payable under the tenancy from the date of service of the Notice of the Tenant's Claim until the original term date

(ii) The capitalised value of the section 15 rent payable from the original term date until the expiry of the 50 year extension,

(iii) The value of the landlord's reversion to the house and premises after the expiry of the 50 year extension, on the basis Schedule 10 to the Local Government and Housing Act 1989 applies to the tenancy.

Consideration is also given to the relevance, if any, of:

(iv) The value of the landlord's right under section 17 to determine the 50 year extension for redevelopment purposes

(v) The effect of any new easements and restrictive covenants in the conveyance and

(vi) The value of the other rights under the extended lease extinguished on the acquisition of the freehold

26. The valuation date is the date of the application to the County Court confirmed as 08/11/2024. The Tribunal therefore adopts this as the appropriate valuation date.

Decapitalisation and Deferment Rates.

27. The Deferment Rate is the annual discount rate applied, on a compound basis, to an anticipated future receipt (assessed at the current price of a property) in order to assess the present value of the right to vacant possession of a residential property at the end of a leasehold to which the freehold is subject.

28. Unsurprisingly there is considerable authority on the rates to be applied for decapitalisation and deferment rates. In particular *Earl Cardogan and Cardogan Estates Limited v. Sportelli and others* [2007], *Zuckerman v. Trustees of Calthorpe Estate* [2009], *Mansal Securities Limited's Appeal* [2009] and, more recently, *Sinclair Gardens Investments (Kensington) Ltd's Appeal* [2014] .

29. The Tribunal finds that the starting point for the deferment rate is Sportelli which determined the rate at 4.75% (Risk Free 2.25% less Real Growth 2.00% plus Risk Premium 4.50%). The Tribunal has also followed the guidance in Sportelli that unless there is strong evidence to the contrary the deferment rate should remain consistent.
30. The Tribunal has made a further addition of 0.5% to reflect the decision in Zuckerman, in respect of the lack of growth between Prime Central London (PCL) and the West Midlands. The same reasoning is appropriate for properties in the Northwest.
31. This is confirmed by the Upper Tribunal decision in JGS Properties Limited v King & ORS [2017] UKUT233 (LT) which upheld the decision of the First-tier Tribunal that there should be an addition of 0.5% to the deferment rate set in Sportelli to reflect the poorer growth rates outside PCL but that there should be no further adjustment for volatility thereby arriving at a rate of 5.25%.

The Premium

32. The Tribunal is required to determine the premium payable for the Freehold Interest, calculated in accordance with section 9 of the Act as detailed above.
33. 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 capitalised by the Valuer at 7%, which the Tribunal accepts is robust and appropriate in this case. The capitalised ground rent is calculated at **£138.40**
34. 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 51.48 year term, but at a modern ground rent. In so doing, the valuer must consider the appropriate 'Entirety value' which is the notional market value of the property that could reasonably be expected to have been built on the plot at the valuation date, assuming the plot was 'fully developed'.
35. The Valuer considers the property to be 'fully developed' and concludes that an Entirety Value of £210,000 is appropriate. When questioned as to the relevance of maisonette when compared to the subject property, Mr. Sumner was of the view that 'the market would not demonstrate a significant uplift for a house compared to a maisonette' and accordingly made only a 5% adjustment. Whilst the Tribunal is not entirely convinced by this argument, no evidence was available to the contrary. On balance therefore, the Tribunal concludes that Entirety Value of £210,000 is appropriate.
36. This stage requires consideration on appropriate deferment rates. Mr. Sumner has adopted a rate of 5.5% on the basis that this is a "standardised

figure, generally agreed with surveyors in this region, and reflected in recent Tribunal Decisions.” Mr. Sumner maintains that such decisions provide useful guidance but accepts they are not binding. However, the Tribunal, using its own judgement and experience of the locality and after consideration of the decision in Sportelli and others discussed at paragraphs 27 to 31 above, a figure of 5.25% is considered appropriate.

37. In calculating the ‘plot value’ and ‘modern ground rent’, the Tribunal questioned Mr. Sumner on the relevance of plot sales at 83 and 85 South Street, Liverpool to the subject property. No evidence was provided on typical market values between the two locations. When questioned, Mr. Sumner conceded that, on reflection, further research on comparable evidence should have been provided to establish how values differ in the respective locations. Accordingly, given the absence of reliable evidence, the Tribunal prefers the conventional approach of calculating the plot value as a percentage of the Entirety Value.
38. Mr. Sumner adopts 25% as being appropriate for the location which is at the lower end of the 25% - 33% margin suggested. The Tribunal is not persuaded that adequate evidence or reasoning is attached to adopting this rate. Accordingly, using its own experience and judgement, the Tribunal adjusts this percentage to 30% being more in keeping with other settlements in the region.
39. The plot value is assessed at 30% of the £210,000 ‘Entirety Value’ which equates to £63,000. A yield expected from such investment is taken at 5.25%, resulting in a modern ground rent of £3,308 pa. Applying this same yield for the second term of 50 years creates a deferred site value of **£4,174.00**.
40. The third element of the landlord’s interest is the Reversionary Value disregarding improvements. Mr. Sumner adopts a figure of £200,000. The Tribunal agrees. The Reversionary value is deferred 101.48 years at 5.25% yield following Sportelli, produces the sum of **£1,120.40**.
41. Accordingly, the Tribunal determines the premium to be paid by the applicants for the freehold interest in the property is **£5,432.80 (five thousand, four hundred and thirty two pounds, 80 pence)**. The Tribunal’s valuation calculation is at appendix (i).

Pecuniary Rent

42. The amount of pecuniary rent payable, in accordance with s.27 (5)(b) of the Act, is deemed to be **£60.00** being six years at £10 per annum. The Applicants have confirmed in their submission that they have not paid ground rent since acquiring the property on 17 August 2016.

Conveyance Provisions

43. The Tribunal notes the Court Order dated 16 April 2024 whereby the conveyance is to be made on such terms the Tribunal deem appropriate under section 21(2)(a) of the Act.
44. The Freehold Register contains a restriction dated 23 October 1987 which prevents the registration of dispositions without the consent of the Manchester Ship Canal Company (also known as The Manchester Ship Canal Company Limited). The restriction relates to the restrictive covenants contained in the Transfer Deed dated 18 September 1987 made between the Claimants and the Manchester Ship Canal Company Limited which are also contained in the Claimants' lease for the property.
45. On 27 March 2024 the Claimants' solicitor wrote to the Manchester Ship Company limited to request further information about the said restriction and request permission to remove the same from the Freehold Register. Further letters were written on the 24th April and 23rd October 2025. No reply was received to these letters. The applicants maintain that such restrictive covenants are no longer appropriate.
46. In applying its judgement, the Tribunal must determine whether there is any material enhancement in value or prejudice in excluding these covenants. On balance, the Tribunal do not believe there is any.
47. Accordingly, the Tribunal approves the draft proposed HMLR TRI included at page 359 of the bundle subject to the inclusion at paragraph 8 "Consideration", (the total premium of £5,432. plus £60 less costs for the claim, being £508.72) that the premium has been paid into court.

Signed: J H Lewis; FRICS
Valuer Chair of the First-tier Tribunal
Date: 8th April 2026

Appeal Provisions

48. If the parties is dissatisfied with this decision, they may appeal to this Tribunal for permission to appeal to the Upper Tribunal (Lands Chamber). Any such appeal must be received within 28 days after these written reasons have been sent to the parties (Rule 25 of the Tribunal Procedures (First Tier Tribunal Property Chamber Rules 2013).

Appendix (i)

Term 1

Valuation Date	8-Nov-2024
Lease Start Date	1-May-1977
Term (years)	99.00
Lease End Date	30-Apr-2076
Unexpired Term (years)	51.48
Ground Rent (p.a.)	£ 10.00
Capitalisation Rate (%)	7.00

Term 2

Entirety Value	£ 210,000
Site Value (%) of MV	30
S15 GR Rent % of Site Value	5.25
Cap / Def Rate (%)	5.25
Years	50

Reversion

Standing House Value	£ 200,000
% of SHV for Assured Tenancy	0
MV of House on Assured Tenancy	200,000
Years to	101.48
Deferment Rate (%)	5.25

Term

Ground Rent	£ 10.00	p.a.	
YP for 51.48 yrs @ 7%	13.8470		£ 138

Term 2

Entirety Value	£ 210,000		
Site Apportionment @ 30%	£ 63,000		
Modern Ground Rent @ 5.25%	£ 3,308	p.a.	
YP for 50 yrs @ 5.25%	17.5728		
	£ 58,131		
PV of £1 in 51.48 yrs @ 5.25%	0.0718		£ 4,174

Reversion

Market Value of Standing House	£ 200,000		
@ 0% for Assured Tenancy	£ 200,000		
PV of £1 in 101.48 yrs @ 5.25%	0.0056		£ 1,120

Enfranchisement Price (excluding costs)

£ 5,432