		FIRST-TIER TRIBUNAL **PROPERTY CHAMBER** **(RESIDENTIAL PROPERTY)**
Case Reference	**:**	**MAN/00CG/OCE/2025/0001**
Property	**:**	**Hunter Court Flats, Hunter House Road, Sheffield, S11 8TY**
Applicant	**:**	**Hunter Court Freehold Limited**
Applicant's Representative	**:**	**Crossthwaite Commercial**
Respondent	**:**	**Peter Wren**
Respondent's Representative	**:**	**Brady Solicitors**
Respondent's Counsel	**:**	**Mr James Stonehouse**
Type of Application	**:**	**Leasehold Reform, Housing and Urban Development Act 1993 – s 24(1)**
Tribunal Members	**:**	**Judge Richard Dobson Mason LLB** **Mr Neil Swain MRICS**
Type and Venue of the Hearing	**:**	**In Person** **Sheffield Magistrates' Court**
Date of Decision	**:**	**2 June 2026**

DECISION

The Tribunal determines the appropriate premium payable to be as follows: -

Specified Premises - £1,800
Appurtenant Property - £200

REASONS

Background

1. The Application relates to Hunter Court Flats, Hunter House Road, Sheffield, S11 8TY *("the Property")*.

2. The Applicant is Hunter Court Freehold Limited who brings the application *("the Application")*, who is represented by Crossthwaite Commercial.

3. The Respondent is the registered proprietor of the freehold interest of the Property (the reversioner) and represented by Brady Solicitors.

The property

4. The Property comprises a purpose-build, three-storey, block of 18 self-contained flats, together with two garage courts and shared amenity gardens.

5. Construction is in conventional, load-bearing masonry with a flat roof. The principal elevations are broken by symmetrical fenestration. The building is of a simple rectangular form and has an external floor area of approximately 1,275 sq m. It has an austere appearance and was built in 1960.

6. Immediately to the south of the principal building, there is a block of 10 garages with a further block of 4 garages to the north. To the west, there is a garden laid principally to grass with a forecourt to the east.

7. The development is situated within an old established residential neighbourhood, comprising predominantly turn-of-the-century, terraced housing, and lying around 2 miles south-west of Sheffield city centre.

8. The individual flats, which are configured as both one- and two-bedroom units, are incorporated within Band A for the purpose of the Council Tax.

9. The leasehold titles are each for a term of 800 years from 24 June 1960 at a ground rent of £7.50 (with flat 16 paying no ground rent pursuant to a Deed of Variation dated 10 April 1981).

10. All but three of the flats were parties to the Application; those not a party being flats 3, 13 and 14.

The application

11. The Applicant served a notice under s 13 of the Leasehold Reform, Housing and Urban Development Act 1993 *("the Act")* dated 20 August 2024 claiming the right to acquire the freehold interest of the Property, proposing the following premium: -

    Specified Premises - £1,800
    Appurtenant Property - £200

12. The Respondent served a counter-notice under s 21 of the Act dated 29 October 2024, admitting the Applicant's right to collective enfranchisement but disputing the premium proposed, counter-proposing the following premium: -

    Specified Premises - £90,000
    Appurtenant Property - £500

13. On 14 March 2025, the Applicant made an application under s 24(1) of the Act for a determination of the premium to be paid for the acquisition of the freehold interest in the Property.

The law

14. The relevant parts of s 24(1) of the Act provide as follows: -

(1) Where the reversioner in respect of the specified premises has given the nominee purchaser—
(a) a counter-notice under section 21 complying with the requirement set out in subsection (2)(a) of that section, or
(b) a further counter-notice required by or by virtue of section 22(3) or section 23(5) or (6),

but any of the terms of acquisition remain in dispute at the end of the period of two months beginning with the date on which the counter-notice or further counter-notice was so given, the Tribunal may, on the application of either the nominee purchaser or the reversioner, determine the matters in dispute.

(2) Any application under subsection (1) must be made not later than the end of the period of six months beginning with the date on which the counter-notice or further counter-notice was given to the nominee purchaser.

(3) ...
(4) ...
(5) ...
(6) ...
(7) ...

(8) In this Chapter "the terms of acquisition", in relation to a claim made under this Chapter, means the terms of the proposed acquisition by the nominee purchaser, whether relating to—

(a) the interests to be acquired,

(b) the extent of the property to which those interests relate or the rights to be granted over any property,

(c) the amounts payable as the purchase price for such interests,

(d) the apportionment of conditions or other matters in connection with the severance of any reversionary interest, or

(e) the provisions to be contained in any conveyance,

or otherwise, and includes any such terms in respect of any interest to be acquired in pursuance of section 1(4) or 21(4).

Directions

15. On 19 February 2026, the Tribunal gave Directions ("the Directions") requiring, *inter alia*, filing and service of the parties' statements of case identifying the terms of acquisition that remain in dispute and include any valuation, and any reply.

16. Permission was also given for the parties to each rely on the evidence of one expert valuer whose report was to be prepared in accordance with Rule 19(5) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, and for a joint statement to be filed identifying those issues which remain in dispute.

17. The Applicant filed and served a Statement of Case dated 18 March 2026 and bundle of documents, relying on the expert evidence contained therein of Martin Holmes of Crossthwaite Commercial. It also filed and served a Response to the Respondent's Statement of Case dated 30 March 2026.

18. The Respondent filed and served a Statement of Case dated 17 March 2026 and bundle of documents, which included the expert evidence of John Francis of Crapper and Haigh dated 25 October 2024. It also filed and served a Response to the Applicant's Statement of Case dated 27 March 2026.

19. A Statement of Agreed Facts and Disputed Issues was filed dated 16 April 2026, identifying that the issues in dispute were as follows: -

    a. The Respondent's ability, or otherwise, to undertake redevelopment having regard to the terms of the existing leases.

    b. The existence, or otherwise, of "hope value" arising out of further development on the site.

The issues

20. The issues to be determined by the Tribunal were: -

    a. The premium payable for the Specified Premises, including any "hope value".

    b. The premium payable for the Appurtenant Property.

Application for adjournment

21. By Order 1 Application Form dated 29 May 2026, sent to the Tribunal and the Applicant by email of the same date, the Respondent applied to adjourn and re-list the hearing to allow it to file and serve expert evidence *("the Adjournment Application")*.

22. The Respondent stated in the Application Form, *inter alia*, that: -

a. It requested a short adjournment because Mr Francis was not available to finalise a report until mid-June 2026.

b. Expert evidence is considered material and necessary for the fair determination of the issues in dispute and is central to the Respondent's case.

c. Without that evidence, the Respondent would be significantly prejudiced.

d. The interests of justice outweigh any inconvenience caused by the adjournment, particularly where the evidence goes to a substantive issue in dispute.

23. The Applicant responded by letter dated 1 June 2026, stating, inter alia, that: -

a. The Directions provided for expert evidence to be included within the parties' bundle of documents, which was required to be filed and served within 28 days.

b. The Directions must be complied with.

c. Once a hearing date has been fixed, no adjournment will be considered unless exceptional circumstances apply.

d. It questioned why the Respondent's expert evidence had not been obtained earlier.

e. The Respondent's Response to the Applicant's Statement of Case attempted to introduce new valuation evidence which was inappropriate and at variance with the Directions.

f. The Respondent is not unfamiliar with the Tribunal procedures and is professionally represented.

g. The Statement on Tribunal Rules and Procedure states at paragraph 4.4 that the Adjournment Application should have been submitted no later than 2 working days before the date of the event in question unless exceptional circumstances apply.

h. The Application was made on 14 March 2025 with longstanding arrangements in place for the hearing.

i. There are no "exceptional circumstances" and the Respondent had already filed and served expert evidence contained within its bundle.

24. The Tribunal was asked to consider the Adjournment Application on the papers in advance of the hearing.

25. By email dated 1 June 2026, the Tribunal informed the parties that it was not prepared to grant the Adjournment Application on the papers due to: -

   a. The late stage at which it was made.

   b. The Respondent's failure to: -

      i. Explain what the expert evidence is proposed to address or why the application and the expert evidence are so late.

      ii. Exhibit any evidence in relation to the instruction of the expert or his availability.

26. The Tribunal informed the parties that the Respondent was, however, at liberty to make the application orally at the start of the hearing.

The hearing

27. Prior to the hearing, an inspection of the Property was carried out, which included the exterior generally and the interior of a representative flat. It was attended by Mr Holmes for the Applicant and Mr Stonehouse for the Respondent, along with the owner of the representative flat.

28. The hearing of the Application took place by way of a face-to face hearing.

29. The Applicant was represented by Mr Holmes, and the Respondent was represented by Mr Stonehouse.

<u>Preliminary issues</u>

30. At the commencement of the hearing, the Tribunal clarified that, despite what was said in the Respondent's Statement of Case, the parties did not require the Tribunal to determine the form of Transfer.

31. The Adjournment Application was also made orally by Mr Stonehouse, and responded to by Mr Holmes, addressing the above points.

32. The Tribunal considered the oral Adjournment Application and refused it, relying on the reasons it had already provided, and further reasoned that there was no explanation provided for why the Respondent had not obtained a report from Mr Francis since his original report of 24 October 2024 and in accordance with the Directions, or the application being made so late – particularly when the Application was made on 14 March 2025 and the Directions on 19 February 2026.

33. It considered the overriding objective and parties' obligation to co-operate with the Tribunal pursuant to Rule 3 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and noted that the Respondent was professionally represented and had a duty to comply with its directions.

34. It weighed the prejudice to the Respondent by refusing an adjournment against the above factors, and considered the prejudice to the Applicant by delaying the hearing further – noting that it had already been 15 months since the Application was filed and that it would incur inconvenience and increased cost if adjourned – and the effect on the Tribunal's resources and other tribunal users of adjourning the matter.

Witness evidence

35. Mr Stonehouse submitted that it could not therefore rely on any expert evidence and did not have any other witnesses to rely upon; the Respondent having not attended the hearing because he wanted it to be adjourned.

36. Mr Holmes confirmed that the Applicant relied on his own expert evidence as contained in its Statement of Case.

37. Mr Stonehouse was invited to cross-examine Mr Holmes but declined, noting that the Respondent had no expert evidence of its own upon which to challenge or controvert Mr Holmes's valuation.

Submissions

38. The parties were therefore invited to make submissions.

39. Mr Stonehouse relied on the submissions set out in the Respondent's Statement of Case and Response. He further referred to an email dated 16 May 2024 in relation to the Respondent's planning application which confirmed that the reason for the rejection of planning permission related to a minor discrepancy in the measurements. This email was shown to Mr Holmes during the hearing. It was noted that this email had not been disclosed and did not address the other issues raised in the planning rejection, e.g., appearance and parking.

40. Mr Holmes similarly relied on the submissions set out in the Applicant's Statement of Case and Response. He also objected to the Respondent seeking to introduce further valuation evidence in its own Response and sought to correct the recent sales figures and challenged that the proposed new flats would be 20% larger than the current ones.

Determination

41. The Tribunal noted that the parties agreed there was no marriage value to be determined on account of there being more than 80 years of the term of the existing leases remaining. They also agreed that there was no substantial value in respect of the loss of the right by the Respondent to have the land and the Property back at the end of the original leases due to the length of the unexpired term.

42. Mr Francis, in his original report, calculated that the compensation due in respect of the loss of the right to collect the existing ground rent to be £1,961.54. This was very close to the figure suggested by Mr Holmes of £2,000.

43. That report also suggested that the Respondent should, for the purposes of its counter-notice, suggest a figure of £60,000 for the loss of the ability to carry out further construction of additional flats on additional storeys of the existing accommodation, i.e., "hope value", plus £3,000 "for the value of the Freehold".

44. However, he conceded that sketch plans would need to be prepared "as to how the development would be varied out, with a residual valuation to be prepared dealing with the outturn value of the completed new flats, less building costs, builders profit and the like to arrive at the development value of the space above the flats". Notably, this was not done by the Respondent, and Mr Francis had not prepared any further report, nor was he at the hearing to be questioned on his evidence.

45. It was particularly striking that, despite Mr Francis' recommendation, the figure which the Respondent in fact proposed in its counter-notice in respect of the

premium payable for the Specified Premises was £90,000 (c. 50% more than recommended by Mr Francis).

46. As pointed out in the Applicant's Statement of Case, to support a claim for "hope value" – in respect of which the burden rests on the Respondent – it would ordinarily be expected to show that: -

   a. It had secured planning permission or had a reasonable expectation that it would be secured.

   b. The development was permitted under the terms of the leases and financially viable.

47. A planning application had been made by the Applicant on 28 March 2024 but was refused on 7 June 2024 on the grounds of parking and appearance issues. It was appealed and refused on 9 June 2025. Mr Stonehouse's reference to the email of 16 May 2026, although not in evidence, did not address either of those issues.

48. Mr Holmes had prepared a costing and calculation regarding the financial viability of the proposed development, which concluded that it would not be viable on a conventional commercial basis, arriving at a figure of -£75,727 based on 20% GDC profit.

49. He therefore suggested that there would be no "hope value".

50. In the absence of any properly evidenced or tested valuation evidence to the contrary, and having regard to Mr Holmes' analysis, the Tribunal accepts that no "hope value" arises.

51. Consequently, the Tribunal determines that the premium payable in respect of the Specified Premises is £1,800 and for the Appurtenant Property is £200.

Judge Richard M. Dobson-Mason

2 June 2026