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

**Case Reference** : **BIR/47UD/OAF/2017/0016**

**Property** : **17 Winyate Hill, Lodge Park,  
Redditch B98 7JF**

**Applicants** : **Mrs Lynda Jarrett**

**Representative** : **Midland Valuations**

**Respondents** : **Persons unknown**

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

**Members of Tribunal** : **Judge D Jackson  
Mr A Shemilt FRICS**

**Date of decision** : **16<sup>th</sup> October 2017**

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**Decision**

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## Decision

1. For the purposes of section 27(5) of the Leasehold Reform Act 1967 ("the Act") the appropriate sum to be paid into court under section 27(3) is:

- a) £8217 being the price payable in accordance with section 9 of the Act.
- b) The amount of any pecuniary rent payable for the Property which remains unpaid is nil.

## Inspection

2. We inspected the Property on the morning of 27<sup>th</sup> September 2017.
3. The Property is a two storey semi-detached house built in the 1960's.
4. The ground floor accommodation comprises porch and through lounge/dining room together with fitted kitchen. There is a good sized conservatory off the rear dining area.
5. Upstairs there are 3 bedrooms (2 doubles and a single) and a house bathroom.
6. The Property has UPVC double glazing throughout and gas fired central heating.
7. The frontage comprises front garden and driveway with ample off road parking.
8. The Property has a good sized (south facing) rear garden.
9. The Property has an integrated garage with rear downstairs w.c.

## Reasons

10. The Applicant made a CPR Part 8 Claim for a Vesting Order pursuant to section 27 of the Act in the County Court at Worcester. The Issue date was 16<sup>th</sup> March 2017. Accordingly under section 27(1)(b) of the Act the valuation date is 16<sup>th</sup> March 2017.
11. The Applicant's leasehold title is registered at HM Land Registry under Title No: HW83124. The Property is held under the terms of a Lease ("the Lease") dated 1<sup>st</sup> October 1960 and made between Lodge Farm Investment Limited (1) and Lodge Farm Development Limited (2) whereby the Property was demised for a term of 99 years from 25<sup>th</sup> March 1960 reserving a yearly rent of £20.
12. Accordingly as at date of issue of the Claim the unexpired term was 42 years.
13. On 8<sup>th</sup> June 2017 District Judge Khan sitting at the County Court at Worcester directed the Applicant to make application to the Tribunal for determination of the appropriate sum payable for the freehold interest.
14. In reaching our decision we have considered a Valuation dated 21<sup>st</sup> July 2017 prepared on behalf of the Applicant by Jolyon Moore MA.
15. Following **Clarise Properties Limited (167 Kingshurst Road) [2012] UKUT 4 (LC)** Mr Moore has correctly carried out a three stage valuation.
16. The first stage requires capitalisation of the ground rent for the term. We find a capitalisation rate of 6.5% is entirely appropriate having regard to the small ground rent of £20 per annum and the disproportionate collection costs.
17. The second stage requires the Tribunal to determine and capitalise a section 15 modern ground rent. This requires the Tribunal to determine Entirety Value, Site Apportionment and deferment rate.
18. In relation to Entirety Value Mr Moore has produced a large number of comparables. We have considered the following (the sale of 10 Winyate Hill being the most helpful):

10 Winyate Hill sold 5<sup>th</sup> August 2016 at £200,000  
6 Winyate Hill sold 1<sup>st</sup> August 2013 at £168,000  
4 Winyate Hill sold 22<sup>nd</sup> August 2012 at £166,000  
3 Barlich Way sold 29<sup>th</sup> March 2017 at £140,000  
83 Studley Road sold 16<sup>th</sup> January 2017 at £197,000  
81 Studley Road sold 29<sup>th</sup> July 2016 at £163,000

19. We determine an Entirety Value of £200,000.

20. Mr Moore adopts a figure of 33.33% Site Apportionment. We have inspected the Property. The house stands on a good plot with a wide frontage. It is a semi-detached house with room for an integral garage at the side of the house itself. We therefore find that the appropriate figure for Site Apportionment is 33.33%.

21. We adopt deferment rate of 5.50% on the basis of Mr Moore's Valuation. The Tribunal would wish to make it clear that this "missing landlord" case is fact specific and Valuers should not seek to rely on the deferment rate adopted in this case as being generally applicable under the 1967 Act.

22. At the third stage we have to value the reversion to a standing house on the expiry of the 50 year lease extension. It is necessary to value the tenant's right to remain in possession after the 50 year lease extension under Schedule 10 of the Local Government and Housing Act 1999.

23. Mr Moore has made a deduction of 5% deduction to reflect rights under Schedule 10 of the Local Government and Housing Act 1989.

24. Having regard to what was said in **Clarise** (where the unexpired term was only 28.5 years) we agree with Mr Moore that 5% is the correct deduction where the unexpired term is 42 years.

25. There is no unpaid rent. There has been no demand for rent. The provisions of sections 47 and 48 of the Landlord and Tenant Act 1987 and section 166(1) Commonhold and Leasehold Reform Act 2002 (requirement to notify long leaseholders that rent is due) have not been complied with. A tenant is not liable to make payment of rent under a lease unless the Landlord has given him notice relating to the payment.

## Valuation

Term 42 Years

Ground Rent £20 p.a

YP for 42 years @6.50% 14.292 £285.84

### First Reversion to new 50 year lease

Entirety Value £200,000

Site Apportionment @33.33% £66,660

Section 15 Rent @5.50% £3,666

YP for 50 years @5.50% 16.9315 £62,071

PV of £1 in 42 years @5.50% 0.10554 £6,551.50

### Second Reversion deferred 93 years

Entirety Value @ 95% £190,000

PV of £1 in 92 years @5.50% 0.00726 £1,379.40

**Price £8,217**

D Jackson  
Judge of the First-tier Tribunal

Either party may appeal this decision to the Upper Tribunal (Lands Chamber) but must first apply to the First-tier Tribunal for permission. Any application for permission must be in writing, stating grounds relied upon, and be received by the First-tier Tribunal no later than 28 days after the Tribunal sends this written Decision to the party seeking permission.