



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

Case reference : **MAN/00CG/OAF/2020/0027**

Property : **10 Cockshutts Lane , Oughtibridge,
Sheffield, S35 0FX**

Applicant : **Huw and Jane Williams**

Representative :

Respondent : **Missing Landlord**

Representative :

Type of application : **Leasehold Enfranchisement- price to
pay into court for the freehold interest,
Section 27 (5)(a) of the Leasehold
Reform Act 1967**

Tribunal member(s) : **Judge J White
Valuer Mr H Thomas FRICS FCABE MEWI
Paper(P)**

Venue : **Northern residential Property First-tier
Tribunal, 1 floor, Piccadilly Exchange,
2Piccadilly Plaza, Manchester, M1 4AH**

Date of determination : **5 May 2021**

DECISION

The Tribunal determination of the price to be paid into Court for the freehold interest by the Applicants under Section 27 (5)(a) of the Leasehold Reform Act 1967 (“the Act”) is £229.84.

- (i) The price payable is £176.80; and
The unpaid pecuniary rent payable for the property up to the
- (ii) date of the proposed conveyance is £53.04 (six years ground rent of £8.84 per year).

The matter is referred back to the county court.

Background

1. The Applicants are the long leaseholders of Newstead House, 10 Cockshutts Lane, Oughtibridge, Sheffield, S35 0FX (“the Property”). On 27 July 2020 they made a claim to the County Court for an order under the Part 1 of the Act that they are entitled to acquire the Freehold of the Property. By an Order of District Judge Baddeley sitting at the County Court at Sheffield and dated 4 September 2020 the Tribunal is required to determine the price payable under section 9 of the Act.
2. The Applicant has provided a valuation report. Report by Nicholas Gray-Cowley FRICS, a partner at Nichols and Associates is dated 19 June 2020 and values the freehold interest at £176.80. He provides the Tribunal no reasons or basis for his valuation beyond the term and fixed rent of £8.84. He states that six years ground rent is unpaid.
3. An inspection of the property has not been made and is not considered necessary in order to reach a fair decision.

The Lease

4. The Applicants’ tenancy is a long tenancy, having been created by a lease dated 17 March 1913 made between (1) Henry Hall Bedford and (2) Joseph Ridley by which the Premises was demised for a term of 999 years commencing on 25 March 1912 (“the Lease”). The Applicants have been tenants of the of the Property since 19 July 2001. The annual rent is Eight Pound sixteen shillings and ten pence (£8.84) per annum with no reviews. The rent does not equal or exceed the rateable value on 23 March 1965 and is therefore a low rent within the meaning of s.4 of the Act.

The Law

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

The appropriate sum which in accordance with Section 27(3) of the Act 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. Section 9 of the Act sets out in detail the assumptions to be made and the procedure to be followed in carrying out the valuation. The effect of Section 27(1) is that the valuation date is the date on which the application was made to the Court.
 7. There are various bases set out in Section 9 of the Act and the Tribunal determines that the appropriate basis is in Subsection 9(1) being that on 31 March 1990 the ratable value of the house and premises was not above £500.

The Premises

8. The Property is a house around 110 years old. It has 9” solid stone and brick walls beneath a blue pitched slated roof. It comprises of six bedrooms over two floors plus attic and cellar. The report does not state whether the property is detached or semi-detached.

9. The accommodation comprises:

On the ground floor: entrance hall, lounge, sitting room, dining kitchen, utility room, shower and WC, cloakroom and WC, bathroom. Access to cellars.

On the first floor: four bedrooms, one ensuite plus family bathroom.

On the second floor: two bedrooms.

Outside: driveway, detached former garage now a store/gym, gardens to front and rear. Details of the basement are unavailable.

The Decision

10. The Tribunal have reviewed the valuation provided by Mr Grey-Cowley FRICS. The valuation report partially describes the Property and indicates that the valuation has been provided in accordance with the Leasehold Reform Act 1967. The report also has a signed Declaration of Truth.

11. What the report is lacking however, is details as to how the Freehold Value has been calculated. It states that it is in accordance with the Act, but then simply produces a figure of £176.80 and then, correctly, adds the last 6 years unpaid Ground Rent to produce a grand total of £229.84.
12. The Tribunal, being an Expert Tribunal, has deduced how the valuation was produced, but would have appreciated a formal calculation and justification for rates used. He appears to capitalise the rental income of £8.84 per annum at 5% rather than the normal 4.75%. The Tribunal does accept that 5% reflects the unattractive investment due to the income being not subject to review and uneconomic to collect.
13. In view of the very long unexpired term Mr. Gray-Cowley appears to be of the opinion that the reversion has no value, and it is not therefore necessary to provide a Market Value of the property or discount rate. The Tribunal agrees that, as a 999-year lease granted on 25 March 1912, the reversion has no value.
14. The Applicant accepts that there are six years unpaid ground rent.

Conclusion

15. The Tribunal have produced their own valuation, which is within 5% of that submitted and, in the absence of any other figures being produced, the Tribunal proposes to adopt the figures provided to it and accept the Freehold Value at £176.80, to which, as correctly stated, the unpaid Ground Rent should be added and therefore a total payment of £229.84 should be made.

Judge J White
17 May 2021

RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.

3. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property, and the case number), state the grounds of appeal, and state the result the party making the application is seeking.