



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

Case Reference : CHI/00HD/OAF/2021/0025

Property : 23 Kilnhurst Close, Longwell Green, Bristol,
BS30 9AB

Applicant : Margaret Joy Fudgell

Representative : Wards Solicitors LLP

Respondent : Missing

Representative : -

Type of Application : Section 27 Leasehold Reform Act 1967
(Missing Landlord)

Tribunal Member : Mr W H Gater FRICS MCI Arb
Regional Surveyor

Date of Decision : 27 October 2021

DECISION

Summary of Decision

The Tribunal has determined for the reasons set out below that the price payable by the Applicant for the freehold reversion of the property is to be the sum of **£333** and the amount of unpaid pecuniary rent payable for the property is nil.

Background

1. District Judge Tildesley OBE sitting at the Newport Isle of Wight County Court in Havant Justice Centre made an order dated 19 August 2021 directing that the First-tier Tribunal (Property Chamber) assess the appropriate sum in accordance with the Leasehold Reform Act 1967. (The Act)
2. Enclosed with the application to the Tribunal was a valuation report prepared by Mr M.T. Ripley FRICS dated 29 September 2021.
3. An inspection of the property has not been made.

The Lease

4. The site is identified on the HM Land Registry plan edged red under title number AV189199 and is held by way of a lease for a term of 999 years from 22 March 1973 and made between L A Smith (Developments) Ltd and Frederick Ambrose Windsor Pritchard and Laura Pritchard. The lease is subject to a yearly rent in respect of the whole of the premises of £19.95.
5. Mr Ripley assumes that no ground rent has been paid or demanded, the beneficiaries being unknown.

The Law

6. 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.*
7. 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.
8. 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 Rateable value of the house and premises would not have been above £500.
9. The Tribunal has been referred to and takes account of the following decisions: *Arbib v Cadogan* (2005), *Cadogan Estates Limited v Sportelli* (2006) and *Clarice Properties Limited Appeal* (2012).

The Premises

10. The property comprises a detached bungalow constructed in the early 1970's. The original accommodation comprised an entrance hall, 2 double bedrooms a bathroom kitchen and lounge/ dining room.
11. In 2018 the property was extended creating 3 bedrooms, one with a wet room, a lounge, kitchen, utility room and bathroom. It appears that the former garage was incorporated into living accommodation. The property has gardens to front and rear and gas fired central heating.

Evidence

12. In a valuation report dated 29 September 2021 Mr M T Ripley FRICS reports that the value for the purposes of Section 27 of The Act as at 19 August 2021 is £333. He goes on to say that this valuation would be equally valid at the date of the application/ claim, 21 June 2021.
13. Mr Ripley discusses the valuation of the property ,submits comparables and arrives at a value of the freehold vacant possession value of £500,000.He does not comment whether this includes or excludes improvements to be deducted in accordance with the statutory valuation.
14. There is also review of leading case law in relation to capitalization and deferment yields, the effect of Covid on the market and a commentary on their relevance to this property.
15. However, Mr Ripley concludes that the extraordinary length of term means that the reversion is so remote that it can be disregarded. Accordingly, his valuation simply capitalises the ground rent for a period 950 years at 6%, arriving at £333.

Decision

16. The Tribunal finds that the deferment period is 950 years and 9 months being the term remaining from 21 June 2021, the date of the application.
17. This is an exceptionally long length of term remaining before the property reverts to the freeholder. The additional 9 months makes no difference to a calculation over such a long period.
18. The reversion is so far ahead that valuation deferment tables indicate a £nil value after discounting.
19. In effect this means that the value of the freehold interest at the date of the application is the right to receive the ground rent of £19.95 for 950 years and 9 months.

20. The Tribunal accepts Mr Ripley's adopted capitalization yield of 6% and the resultant Freehold valuation of £333.
21. It is not necessary for the Tribunal to deal with Mr Ripley's apparent departure from leading case law on deferment yield or the possible issue of improvements as these do not come into play here.
22. The Tribunal's valuation is therefore £333.
23. Having regard to the requirements of Section 48 of the Landlord and Tenant Act 1987 - Notification by landlord of address for service of notices, and Section 166 of the Commonhold and Leasehold Reform Act 2002 - Requirement to notify long leaseholders that rent is due, the Tribunal finds that the amount of unpaid pecuniary rent payable is nil.

PERMISSION TO APPEAL

1. A person wishing to appeal the decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at rpsouthern@justice.gov.uk being the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.