



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

Case Reference : CHI/18UE/OAF/2021/0018

Property : 1 Waverley Terrace, Lydiate lane, Lynton
EX35 6AH

Applicant : Mr Mark Robert Beattie and Mrs Janet
Michelle Russell Beattie.

Representative : Forsters LLP

Respondent : Persons unknown

Type of Application : Freehold Enfranchisement under
Leasehold Reform Act 1967 (Houses)
(Missing Landlord)

Tribunal Member(s) : D Banfield FRICS
Regional Surveyor

Date of Decision : 5 August 2021

DECISION

The Tribunal determines that the price payable for the freehold interest is NIL

Background

1. By an Order of District Judge Scott sitting at the County Court at Barnstaple and dated 1 July 2021 the Tribunal is required to determine the price payable for the freehold interest.
2. Directions were made on 7 July 2021 indicating that the application would be dealt with on the papers without an oral hearing in accordance with Rule 31 of the Tribunal's Procedural Rules unless the Applicant objected in writing within 28 days of the date of receipt of the directions.
3. A hearing bundle was ordered which was required to include a valuation of the freehold interest to be conducted by an independent expert.
4. A bundle has now been submitted and it is upon this that the tribunal has made its determination. Reference to pages within the bundle are shown as[x].
5. The Tribunal consider that an inspection of the property is not required.
6. The official copy of register of title [20] DN324970 indicates that the property is held on a lease for 999 years from 29 September 1895 and includes other land. A rent of £150 pa was stated however it is noted that by an Assignment dated 15 October 1921 the land in this title was informally exonerated from the rent reserved.
7. An expert report dated 12 July 2021 has been prepared by Mr Stephen Shortridge FRICS [2] in which he confirms that he has complied with the required RICS Practice Statement and Guidance Note.

The Law

8. 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.*
9. 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.

Evidence

10. Mr Shortridge values the freehold interest in accordance with Section 9 of the Leasehold reform Act 1967 at NIL.
11. He describes the property as being of stone construction with a later blockwork extension. The accommodation as indicated on a plan [18] comprises Sitting room, kitchen and garage at ground floor, 2 bedrooms, shower room and roof terrace at first floor and a further bedroom and bathroom on the top floor.
12. Mr Shortridge values the existing lease ground rent as nil there being no rent payable.
13. He then takes the modern ground rent as £3,600 based on a cleared site value of £60,000. This sum he capitalizes at 6% and then defers the result for 923 years arriving at a nil value.
14. Finally, he values the Freeholder's reversion after 923 years based on his valuation of the long leasehold value at £190,000 which when deferred for 923 years results in a nil value.
15. In summary therefore Mr Shortridge place a nil value on the freehold interest.

Decision

16. Given the length of the reversion and that no ground rent is payable it is unnecessary for me to examine the constituent parts of Mr Shortridge's valuation in detail. I am however able to confirm that his valuation is adopted and **the Tribunal determines that the price payable for the freehold interest is NIL.**

D Banfield FRICS
5 August 2021

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk to the First-tier Tribunal at 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.