



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

Case Reference : CHI/40UC/OAF/2021/0001

Property : Eight Alms, South Road, Lympsham,
WSM, BS24 0DX

Applicant : John Alan Ryder

Representative : Powells Law

Respondent : -

Type of Application : Leasehold Enfranchisement. Leasehold
Reform Act 1967. (The Act) (Missing
Landlord

Tribunal Member(s) : W H Gater FRICS MCI Arb

Date of Decision : 30 March 2021

DECISION

The Tribunal determines that the price payable for the freehold interest is £50 and the amount of unpaid pecuniary rent is nil.

Background

1. By an Order of District Judge Field sitting at the County Court at Weston Super Mare and dated 4 January 2021 the Tribunal is required to determine the price payable under the Act. The appropriate sum to be paid by the Applicant pursuant to S27(3) the Act is to be determined by the Tribunal in accordance with S27(5) of the Act.
2. Directions were issued on 10 February 2021.
3. Due to Covid restrictions an inspection of the property has not been made.
4. Expert evidence has been provided in a report appended to the application by MT Ripley FRICS dated 7 October 2020.

The Lease

5. The site is identified on the HM Land Registry plan edged red under title number ST70637 and is held for a term of 500 years from 8 April 1726 at a ground rent of £2.125 per annum.
6. The Applicant states that he has never paid rent nor received any communication from anyone claiming to be freeholder.

The Law

7. 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.*
8. 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.

9. 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 was not above £500.
10. The Tribunal takes account of the following decisions: *Arbib v Cadogan* (2005), *Cadogan Estates Limited v Sportelli* (2006) and *Clarice Properties Limited Appeal* (2012).

The Property

11. The property comprises a detached bungalow and garage built about 40 to 50 years ago. It is situated in the village of Lympsham about 5 miles south of Weston Super Mare.
12. It stands on the corner of South Road and South Close in an area comprising similar houses and bungalows on one side of the road. The property faces on to open farmland.

Evidence

13. In his expert report Mr. Ripley states that the accommodation comprises a hall, living room, bathroom/wc and kitchen/diner with small breakfast room extension off. The property needs general modernization/ decoration.
14. The property has gas fired central heating.
15. There are enclosed gardens to front and rear and a detached garage.
16. Mr Ripley based his determination on an open market value of the unimproved property at £290,000, a site value proportion of 25.00% (£68750) a capitalisation rate of 6% for the unexpired term.
17. He adopts a nominal sum of £20 for the reversion , without calculation, as this is some 206 years distant.
18. In support of his open market value of £290,000 Mr Ripley refers to the sale of 3 properties in Lympsham and with sale prices between £285,000 and £400,000 with sale dates between November 2019 and the June 2020.
19. Mr Ripley refers to case law and proposes a departure from established practice in some parts of the valuation, citing the extraordinary length of lease term remaining.
20. He states that the valuation date is 1 October 2020.

Decision

21. This is a case where the extremely long length of time remaining on the lease means that the final figure is insensitive to variations in the input of capitalization/deferment rates and capital values. Whilst the Tribunal does not accept all of the constituent parts of Mr Ripley's valuation it is able to confirm his valuation of £50.
22. The Tribunal also determines that the amount of unpaid pecuniary rent payable for the property up to the date of the proposed conveyance is nil.
23. The Tribunal therefore determines that the price payable for the freehold interest is £50 and the amount of unpaid pecuniary rent is nil.