

Y TRIBIWNLYS EIDDO PRESWYL

RESIDENTIAL PROPERTY TRIBUNAL

LEASEHOLD VALUATION TRIBUNAL

Reference: LVT/0004/06/25

In the Matter of 48, Parkhill Terrace, Treboeth, Swansea, SA5 7DJ

And in the matter of an Application under the Leasehold Reform Act 1967

Applicants: (1) Fiona Smith
(2) Paul Smith

Respondent: Unknown

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

Tribunal: Colin Green (Legal Chairman)
Andrew Lewis BSc Dip Arb FRICS FCI Arb (Valuer Member)

Applicant Representation: Dylan Williams MRICS

Hearing date: 5 November 2025

DECISION

The Tribunal determines that the price to be paid for the freehold interest is £10,920.

The Tribunal determines that the amount of unpaid pecuniary rent (if any) payable for the Property up to the date of the proposed conveyance is nil.

REASONS FOR DECISION

Introduction

1. The Tribunal has had referred to it, pursuant to sections 21(1)(c), 21(2) and 27(5) of the Leasehold Reform Act 1967 (“the Act”), an issue arising from an application made by way of a Part 8 Claim to the Swansea County Court (Claim Number M00SA181) for a Vesting Order in respect of 48, Parkhill Terrace, Treboeth, Swansea, SA5 7DJ (“the Property”) in the case of a missing freeholder. By an order dated 24 April 2025 Deputy District Judge McMahon ordered that pursuant to s. 27(5)(a) the claim be referred to First-tier Tribunal for determination of the price payable in accordance with the Act. This is the sole issue for the Tribunal to determine.
2. On 25 June 2025, Tribunal Judge Lloyd gave standard directions for the Applicants to provide a bundle of documents in support of their application, including valuation evidence and documents of title. That evidence has been provided along with evidence in support of the County Court application.
3. Although the Tribunal initially considered it appropriate for the matter to be dealt with by way of a paper determination, on reviewing the valuation report of Mr Dylan Williams of Rees Richards and Partners Chartered Surveyors of Swansea, it was decided more appropriate for the matter to proceed to a hearing with Mr. Williams present to deal with certain valuation issues. To that end the following directions were made:

“ ... the Tribunal would like to receive evidence at the hearing from Mr. Williams concerning the following points:-

1. *In relation to the first reversion, Mr Williams has employed the standing house approach to the valuation of the freehold reversion. Whilst this is generally acceptable for terraced and semi-detached homes, the Tribunal would welcome Mr. Williams’s opinion of the value of the site as a single serviced building plot, as the Tribunal considers that this may be a better methodology for this valuation. Within his oral evidence he should expect to explain how the*

comparables of building plots contained within the amended report support this valuation. If at the hearing Mr. Williams wishes to rely upon comparables of building plots other than those referred to within his report, full details should be provided to the Tribunal at least 24 hours prior to the hearing, and again an explanation as to how these support the valuation will be expected at the hearing.

2. *Concerning the second reversion, the value of property on the site is relevant. Within his report Mr. Williams only includes two comparables of detached homes. It would assist the Tribunal if he would consider the sales of other detached homes within ½ mile radius of the subject as available on Rightmove or similar websites, as these may provide better comparable evidence to support his valuation. Full details of any comparables he relies upon other than those within his report should be provided to the Tribunal at least 24 hours prior to the hearing. The Tribunal will expect an explanation as to how the sales evidence of detached houses supports Mr William's valuation.*
3. *Within the valuation of the second reversion, Mr. Williams has employed a figure of £171,000. There is no explanation within the report as to why this figure is included, and consequently the Tribunal will expect an explanation as to how this figure has been determined/employed."*

4. In addition, prior to the hearing Mr. Williams was provided by the Tribunal with details of five comparables some of which were not referred to in his amended report and valuation of 27 August 2025.

The Lease

5. The site is identified on the Land Registry filed plan edged red under title number WA133139 and is held by way of a lease ("the Lease") dated 26 September 1972 made between Dragon Residential Developments Limited, company no. 00996592, ("Dragon") (1) and James Patrick Jones and Ann Elaine Jones (2) for a term of 99 years from 24 June 1972 reserving a rent of £26.00 per annum. The Applicants were registered as proprietors of the leasehold title on 19 February 1997.

The freehold

6. The freehold is not registered. According to enquiries made by the Applicants' solicitors, who undertook investigations into Dragon, it was discovered that the company was dissolved on 5 May 1987, and no successor company or the like is known to exist. Investigations of the London Gazette revealed that the freehold to the Property had not been disclaimed. As the company no longer existed, it was understood that the freehold of the Property would now vest in the Crown.
7. Enquiries were made of the Crown acting via the Treasury Solicitor. The Crown does not accept the freehold of the Property passed to the Crown as bona vacantia as, without the deeds of the Property, it cannot be proved.
8. Other enquiries were made, and it has not been possible to ascertain who, if anyone, obtained the freehold or a reversionary estate to the Lease prior to dissolution or what has become of the title deeds.

The Property

9. An inspection of the Property was carried out by Mr. Andrew Lewis, the valuer member of the panel, on the afternoon of 12 September 2025. The First Applicant was present.
10. The Property is located in an elevated position in the Treboeth Area of Swansea approximately 4 miles from Junction 45 of the M4. The property was developed on a sloping site to maximise its position having good views to front, with the garage located at ground level. It comprises a detached house constructed in cavity brick/block walls under a pitched tile covered roof, with dormer windows on both roof slopes. All the window frames are uPVC, and the property enjoys the benefit of gas central heating from a boiler located in the garage. On the first floor there is an entrance hall, lounge, kitchen/dining area, conservatory, bathroom/wc, with a landing and three bedrooms on the second floor. There are gardens to front and rear.

11. The Property is well presented and fully developed for the purposes of the valuation.

The Law

12. 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.”*

13. 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 (17 April 2025 – the date on which the Part 8 Claim Form was issued).

Determination

14. Mr. Williams’ revised report and valuation of 27 August 2025 calculated the value of the reversion in the figure of £7,500.00, a copy of his valuation maybe found in Appendix 1 of this Decision. Mr Williams employed the three-stage approach to the valuation and employed the usual rates of capitalisation generally employed by the Tribunal. However, the Tribunal differs from that figure for the following reasons.

Stage 1

15. The Applicant’s surveyor had employed the incorrect valuation date in his Expert Report, (and within the worked valuation in his Report the incorrect ground rent was stated and the maths are incorrect for Stage 2), for this section of the valuation it did not result in a material difference to the

reported figure, as he had used the correct ground rent of £26.00 in the actual calculation. Consequently, the Tribunal will adopt the figure of Mr Williams within their valuation i.e. £378.

Stage 2

16. Mr Williams had approached the valuation of the first reversion by employing the standing house methodology, utilising 30% of the entirety value as representing the site value of the property, which he then decapitalised to produce the modern ground rent. Within his amended Expert Report Mr Williams considered the entirety value to be £190,000. However, at the hearing when the comparable of 71 Parkhill Terrace was discussed with Mr. Williams he did concede that his figure of £190,000 was probably too low with hindsight, and accordingly he revised his entirety value to £220,000. Consequently, his site value rose to £66,000 by adopting 30% of the entirety value, with the resultant modern ground rent of £3,300 by employing a decapitalisation rate of 5%. Whilst this approach is frequently employed in the valuation of terrace and semi-detached properties due to the absence of any market evidence of such sites, the Tribunal took the view that the better approach in this instance was to look at sales of serviced single dwelling house plots in Swansea. *Hague on Leasehold Enfranchisement*, 6th Edition at para 8.07 states:

“ ... The most obvious method of valuing the site is “by reference to the process of sites for development, or redevelopment, for comparable uses”

17. Mr Williams included within his amended Expert Report details of two sales of single building plots in Swansea. These were located at Gower Road Upper Killay which sold for £159,995, and the other at Gors Green Reynoldston at £345,000. Unfortunately, no dates were provided for this evidence, but Mr Williams considered both to be better located than the subject, and larger plots. During the hearing Mr Williams gave evidence that there was

considerable demand for single building plots but regrettably there were very few comparables.

18. Whilst the Directions had been clear that Mr Williams should advance a valuation employing the comparable approach of single serviced building plots, regrettably he failed to address this within his amended Expert Report. At the hearing he stated that he did not consider this methodology to be a useful approach and that possibly the employment of the residual approach to valuation would have better assisted the Tribunal, although he did not advance a valuation on this basis either.
19. Having regard to the comparable evidence provided by Mr Williams of the single serviced building plots in Swansea, the Tribunal consider that the site value of the Property is £90,000, which equates employing the standing house approach to be around 40.9% of the entirety value. Employing a decapitalisation rate of 5%, the resultant modern ground rent is £4,500 which is incorporated within the Tribunal's valuation. The capitalisation of this modern ground rent is then undertaken employing the correct valuation date i.e. 17 April 2025, resulting in the unexpired term of the existing lease being 46.189 years, which produces a value for this Stage of £8,628.
20. Within Mr Williams valuation of the second reversion, he employed a standing house value of £171,000, without any explanation as to how he reached this figure. During the hearing he explained he had made a deduction of 10% from the original entirety value of £190,000, to take account of the unexpired original term of 46 years. When questioned on this point he referred the Tribunal to a graph of relativity produced by Savills, which he kindly shared on the day, and later sent to the Tribunal. The Tribunal notes that the graph provided by Mr Williams was contained within a Research Article produced by Savills in June 2016 but does not consider this to be helpful in relation to this stage of the valuation.

21. Stage 3 of the valuation relates to the value of the property after the statutory extension period of the new lease following the Lands Tribunal decision of *Haresign v St John the Baptist College Oxford* 1980 255 EG 711 and more latterly in *Re Clarise Properties Ltd's Appeal* 2012 UKUT 4 (LC). Within this Stage valuers may take account of the possibility of tenants acquiring rights under Schedule 10 of the Local Government & Housing Act 1989, and the potential impact this may have on the value of the property. The Tribunal considers it is plausible that the property will still be standing in 96 years and there is a possibility that a tenant may remain. In this instance the Tribunal consider that the standing house and entirety value are the same as the property has been fully developed. Therefore, the Tribunal will adopt the entirety value conceded by Mr Williams of £220,000 and make an allowance of 5% to represent the possibility of the tenant remaining under Schedule 10, with the resultant figure of £1,914.

22. Taking the above considerations into account, the Tribunal assesses the value of the freehold reversion in the figure of £10,920. The calculations are contained in the Appendix 2 hereto.

Unpaid Pecuniary Rent

23. Although the County Court order of 24 April 2025 refers only to s. 27(5)(a) of the Act, the Tribunal considers it will assist if it also addresses s. 27(5)(b). According to the Applicants' evidence no person has claimed the freehold and they have never received any demand for the payment of ground rent or any other notices.

24. Section 166(1) of the Commonhold and Leasehold Reform Act 2002 provides:

"A tenant under a long lease of a dwelling is not liable to make a payment of rent under the lease unless the landlord has given him a notice relating to the payment; and the date on which he is liable to make the payment is that specified in the notice."

Since no rent demands or other notices have been served during the Applicants' ownership of the Lease, there are no arrears in respect of the annual rent.

25. Accordingly, the Tribunal determines that the figure for unpaid pecuniary rent is currently nil and that will remain the position at the date of the conveyance of the freehold absent a demand by or on behalf of the freeholder, which in the circumstances is most unlikely.

Dated this 5th day of November 2025.

Colin Green (Chairman)

Appendix 1

Stage 1

Ground Rent	14.29	
Y. P. for 46 years at 6.50 %	<u>14.5354</u>	377.92

Stage 2

Entirety Value		190,000
Plot value at 30.00 %		57,000
Modern Ground Rent at 5.00 %		2,850
Y. P. for 50 years at 5.00 %	18.2559	
P. V. of £1 for 46 years at 5.00 %	<u>0.1059967</u>	<u>1.9350651</u> 3,593.07

Stage 3

Standing House Value		171,000
P. V. of £1 in 96 years at 5.00 %		<u>0.0092433</u> <u>1,580.60</u>

Total **7,473.45**

Say **£7,500**

Appendix 2

Stage 1

Ground Rent	£26.00	
YP for 46.189 years @ 6.5%	<u>14.54547</u>	
		£378

Stage 2

Value of Plot	£90,000	
Modern Ground Rent @ 5%	£ 4,500	
YP 50 years @ 5%	18.2559	
PV of £1 for 46.189 years @ 5%	0.105024	
	<u>1.9173076</u>	
		£8,628

Stage 3

Standing House Value	£220,000	
Less Schedule 10 rights @ 5%	£209,000	
PV of £1 for 96.189 years @ 5%	<u>0.009158</u>	
		<u>£1,914</u>
		£10,920