



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

Case Reference : CHI/18UG/OCE/2017/0002

Property : The Post Office, Fore Street, Salcombe,
Devon TQ8 8ES

Applicant : Harbour Yard (Salcombe) Management
Company Limited

Representative : Bartons Solicitors

Respondent : Salcombe SPV Limited

Representative : Michelmores LLP

Mortgagee : Coyde Construction Limited

Type of Application : Leasehold Reform Housing and Urban
Development Act 1993

Tribunal Member : Mr D Banfield FRICS

Date of Decision : 9 March 2017

DECISION

Summary

The Tribunal determines the price to be paid for the Freehold interest is Nil
The draft TR1 is approved subject to altering Box 9 to show limited title guarantee

Background

1. By the Order of District Judge Howell sitting at Bristol District Registry and dated 24 November 2016 the freehold of The Old Post Office, Fore Street, Salcombe, title number DN180508 was to be vested in the Applicant. The Applicant was directed to apply to the First – tier Property Tribunal (Property Chamber) for;
 - a. Determination of the terms of the vesting and the appropriate sum, and
 - b. Approval of a conveyance to be executed on payment of the appropriate sum
2. An application was duly received by the Tribunal on 23 December 2016 attached to which was a copy of the Order, Official Copies of Registers of Title a valuation dated 9 July 2013 from A P Stumbles MRICS valuing the freehold interest at nil and a draft TR1.
3. The Tribunal made Directions on 11 January 2017 which were sent to the parties' representatives.
4. By a letter dated 30 January 2017 Bartons Solicitors on behalf of the Applicant requested that the Tribunal's Directions be varied.
5. They referred to the valuation already submitted, that the Respondent Company was in liquidation, that the liquidator's appointment had ended and requested that the Tribunal determine the matter on the papers.
6. Further Directions were made on 14 February 2017 and no objections having been received to a paper determination. This decision is therefore made on the bundle of documents already received.
7. The Tribunal has not carried out an inspection.
8. The property comprises the freehold land shown edged red on title number DN180508 upon which are situated 3 retail units fronting Fore Street together with 6 residential units over and associated parking.
9. The 6 residential units are approached through security gates into a communal courtyard with access to under cover parking and a turntable for ease of access to and from the parking area. The freehold is held by Salcombe SPV Limited. Each of the 6 flats is held on a tripartite lease for 999 years from 11 February 2004 at a peppercorn rent. The retail units are also held on 999 year leases at peppercorn rents between Salcombe SPV Limited and the respective lessees. The Management Company named in the residential leases is Harbour Yard (Salcombe) Management Company Limited, the Applicant in this matter.

Evidence

10. By a letter of 21 February 2017 Mr Stumbles MRICS confirms that this valuation dated 9 July 2013 and referred to in paragraph 2 above remains unchanged
11. Mr Stumbles describes the accommodation and history of the development and concludes that as each of the properties has been sold on 999 year leases at peppercorn rentals and the individual leaseholders have no need to extend their leases the freehold interest has “no material or discernible value”

Decision

12. The Tribunal accepts Mr Stumbles’ contention that that a freehold subject to 999 year leases without income has no material or discernible value. The Tribunal therefore determines that the value of the freehold interest subject to the existing leases is Nil.
13. The draft TRI attached to the application is approved subject to Box 9 being altered to show “limited title guarantee”

D Banfield FRICS

9 March 2017

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 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.