



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

Case Reference	:	LON/00AK/OCE/2015/0224
Property	:	43 Meadowcroft Road, NW13 4DT
Applicants	:	Martin Cresswell & Sahar Barati-Sedeh
Representative	:	Sabeers Stone Greene Solicitors
Respondent	:	Raymond Dyer
Representative	:	None
Type of Application	:	Acquisition of freehold (Section 13 Leasehold Reform, Housing and Urban Development Act 1993) – Missing Landlord
Tribunal Members	:	Mr M Martynski (Tribunal Judge) Mr I Holdsworth BSc MSc FRICS
Date of Decision	:	2 December 2015

DECISION

Decision summary

1. The premium to be paid for the freehold of the freehold interest in the subject house at 43 Meadowcroft Road is **£41,325**.

Background

2. The subject property at 43 Meadowcroft Road ('the Building') is a semi-detached house converted into two flats.
3. The Applicants' leases of the flats in the Building are for terms of 99 years from 20 December 1986.
4. In proceedings in the Edmonton County Court issued on 24 April 2015, the Applicants applied for an order dispensing with service of the Claim Notice and for an order that the freehold interest in the Building vest in the Applicants.
5. On 4 August 2015, District Judge Morley made an order:-
 - Dispensing with the requirement to serve a notice pursuant to section 13 Leasehold Reform, Housing and Urban Development Act 199
 - Approving the first Applicant as the nominee purchaser
 - Vesting the freehold interest of the Building in the nominee purchaser upon terms to be decided by this tribunal
6. The matter was set down for a determination of the application by this tribunal on the papers alone. The Applicants did not request an oral hearing.

The Applicants' valuation

7. The Applicants' valuation is provided in a written report from Mr Bruce Forrester BSc dated 7 October 2015.

Market valuation of the long leasehold interests

8. Mr Forrester arrived at his valuation of the long leasehold interests by a combination of; (a) taking the previous sales of the subject flats and updating the sale prices to the date of valuation; (b) considering two comparable sales, and; (c) making alterations in the flat values to take account of the upper flat losing the rear garden space and the lower flat gaining the full use of the rear garden since the leases of the flats were last sold.
9. We do not find any reason to disagree with Mr Forrester's approach to value the ground floor flat as it currently stands with the rear extension.
10. We accept Mr Forrester's approach and the figures that he arrives at for the long leasehold interest in each of the flats (as at the date of valuation – 24 April 2015) as follows:

Ground Floor	£350,000
Upper Floor	£295,000

Relativity Rate

11. We accept Mr Field's chosen Relativity rate of 91% based on a consideration of various graphs of Relativity in common use.

Deferment Rate

12. Mr Field suggested a Deferment rate of 5.00% which is in accordance with the guideline rate and which we accept.

Capitalisation

13. We agree the Capitalisation rate of 6.5%.

Appurtenant property

14. We agree the value of £500.00 added for the acquisition of the front garden area.

Conclusions and decision

15. Our valuation is attached.
16. The transfer form TR1 is approved in the form submitted to the tribunal subject to the tribunal's valuation figure being inserted.

Mark Martynski, Tribunal Judge
2 December 2015

Property: 43a and 43b Meadowcroft Road Palmers Green London N13 4DT**Lease and Valuation Data**

Lease Term: 20/12/1986
 Lease Expiry date: 19/12/2085
 Unexpired term as at valuation date: 70.65 years
 Date of Valuation 24/04/2015

Rent receivable by landlord:
 Payable from valuation date for 4.65 years £ 150
 Payable from review date for 33 years £ 300
 Payable from review date for 33 years £ 450

Values

Reversionary lease value on statutory terms £ 635,970
 Notional Freehold taken as 999 year term £ 635,970
 LHVP £ 578,733 Relativity 91.00%

Capitalisation rate (%) 6.50
 Deferment rate (%) 5.00

Value of Freeholders present interest

Term 1
 Ground rent payable £ 150
 YP @ 4.65 years @ 6.5% 3.90543 £ 586
 Term 2
 Ground rent payable £ 300
 YP @ 33 years @ 6.5% 13.45909
 Deferred for 4.65 years @ 6.5% 0.7461 £ 3,013
 Term 3
 Ground rent payable £ 450
 YP @ 33 years @ 6.5% 13.45909
 Deferred for 37.65 years @ 6.5% 0.0934 £ 566
 Reversion
 Freehold value of flat £ 635,970
 PV of £1 in 70.65 years at 5% 0.03184 £ 20,249

Freeholders interest value £ 24,414

Calculation of Marriage Value

Value of flat with long lease on statutory terms £ 635,970
 Landlords proposed interest Nil £ 635,970
 Less
 Value of Leaseholders existing interest £ 578,733
 Value of Freeholders current interest £ 24,414 £ 603,146

Marriage value **Total** £ 32,824

Division of Marriage Value equally between
 Freeholder £ 16,412
 Leaseholder £ 16,412

Price payable to Freeholder

Value of freeholders current interest £ 24,414
 Plus share of marriage value £ 16,412
 Other compensation for loss incurred by freeholder £ 500
 Appurtenant property

Total £ 41,325
Say £ 41,325