



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

Case Reference : LON/OOAU/OCE/2014/0267

Property : 1 Boothby Road, London N19 4AA
(the Property)

Applicant : Chloe Anna Martin (flat 1a) (1) and
Lauren Francesca Baily (flat 1b) (2)

Representative : Boulter & Company – solicitors and
Mr C J Stone of Prickett and Ellis
Surveyors Limited

Respondent : Patrick and Nuala Mullen

Representative : None (missing landlord)

Type of Application : S27 Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)

Tribunal Members : Tribunal Judge Dutton
Mrs S F Redmond BSc (Econ)
MRICS

**Date and venue of
Determination** : 14th January 2015 at 10 Alfred
Place, London WC1E 7LR

Date of Decision : 14th January 2015

DECISION

The tribunal determines that the price payable for the freehold interest in the Property is £34,316 divided as to £5,006 in respect of flat 1a and £29,310 in respect of flat 1b.

The terms of the transfer as included in the papers before us are approved save that the title guarantee should be “Limited”, Box 10 has not been completed and it may be appropriate to refer to the transfer being made under the provisions of s34 of the Act.

REASONS

BACKGROUND

1. By an order dated 19th September 2014 in the County Court at Clerkenwell & Shoreditch in claim number AO1EC128 (“the Order”) between the parties named on the front page of this decision the matter was remitted to this Tribunal for the price and terms of the acquisition to be determined pursuant to section 27 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”).
2. We met on 14th January 2015 for the purposes of implementing the requirements of the Order.
3. We had before us a bundle prepared by the Applicant’s solicitors which contained the Court papers, including the Order, a witness statement of Mr David Garfinkel a solicitor with Boulter & Company with a number of exhibits, copies of the freehold and leasehold registers of title and the leases. In addition we were provided with a copy of the report of Mr Christopher Stone from Prickett & Ellis Surveyors dated 10th November 2014 and the proposed draft transfer.
4. We have considered the papers before us and in particular the report of Mr Stone. This report is dated 10th November 2014 but has been revised following a letter from the Tribunal dated 28th November 2014. After setting the scene as to location and the subject building Mr Stone described the two flats their respective floor areas, condition, and tenure. It also states the valuation date is 11th April 2014, being the date of the application.
5. The report states that there have been no improvements to be disregarded.
6. The report argues for a capitalisation rate of 7%, a deferment rate of 5% and relativity of 93% for the first floor flat, it having some 70.95 unexpired at the date of the report. The ground floor flat has some 99 or more years unexpired and therefore requires no calculation for marriage value.
7. As to comparable evidence he relies on the purchase of flat 1a in 2007, flat 1b in 2013 and flats at Fairbridge Road and Giesbach Road. No estate agents particulars are enclosed but brief details of the leases for the flats in Fairbridge Road and Giesbach are supplied. He assessed the unimproved extended lease values for flat 1a at £350,000 and for flat 1b at £550,000. The price to paid for the freehold by Mr Stone is assessed at £34,323 as per a valuation attached.
8. We set out our comments on this report in the findings section below

FINDINGS.

9. In essence we are prepared to accept the valuation elements put forward by Mr Stone. We have no quibble with the capitalisation and deferments rates. As to relativity, he has relied on the findings, following research by the RICS in 2009, which suggest that taking an average of 5 percentage assessments gives a relativity of 93% in this case. We are prepared to accept that percentage figure. The comparable evidence was somewhat lacking. It does make use of the prices paid for the subject flats in 2007 and 2013, which are supported by the two other comparables. We accept that Mr Stone acts as independent expert and that the unimproved extended lease values are reasonable. The sum of £250 attributable to the appurtenant land is also accepted, helped by the photograph of the property in his report showing a small front garden.
10. There has, however, been a minor error in the calculation of the capitalised ground rent for flat 1b. The period should be 26 years, not 36 which alters the resultant sum, reducing it from £156 to £142. This results in the 'total value for present interests' being £535,921. The marriage value is £9,790, which added to the diminution figure of £19,306 gives a total price payable for this flat of £29,096.
10. We find that the price payable for the freehold is £34,316, being the value for flat 1a at £4,970 and for flat 1b £29,096 and including the sum of £250 for the appurtenant land. The division of this sum between the two flats is, on a pro rata basis, for flat 1a £5,006 and £29,310 for flat 1b. The total sum should be paid into Court. We approve the terms of the draft transfer included within the bundle save that the title guarantee should be limited and Box 10 should be completed.

Andrew Dutton
Tribunal Judge

15th January 2015