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

**Case Reference** : LON/OOAL/OCE/2016/0206

**Property** : 27 Ripon Road, Plumstead, London, SE18 3PS

**Applicant** : 1. Angela Edith Paul and  
2. Richard James Ede and Natalia Helena  
Ayshia-Campbell

**Representative** : Parker Arrenberg

**Respondent** : Jarnail Sidhu (missing landlord)

**Representative** : None

**Type of Application** : Enfranchisement

**Tribunal Members:** Judge Robert Latham  
Mr Patrick Casey MRICS

**Date and venue of  
Hearing** : Paper determination on 9 August 2016 at  
10 Alfred Place, London WC1E 7LR

**Date of Decision** : 9 August 2016

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**DECISION**

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(1) The Tribunal determines that price to be paid into court in respect of purchase of the freehold of 27 Ripon Road, Plumstead, London, SE18 3PS is £26,000.

(2) The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicants, subject to paragraph 9 being amended to record that the transferor only transfers with limited title guarantee.

## **Background**

1. On 19 February 2016, Deputy District Judge Mackenzie, sitting at the Woolwich County Court made an order pursuant to Section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") dispensing with the need to serve an Initial Notice as required by Section 13 of the Act. On 15 April 2016, Deputy District Judge White ordered that the matter be transferred to this Tribunal to determine the valuation and the terms upon which the Respondent's freehold interest in 27 Ripon Road, Plumstead, London, SE18 3PS ("the premises") are to be transferred.

## **Evidence**

2. We have been provided with a valuation report by Mr Peter Morgan, FRICS dated 19 April 2016 (at p.30 of the Bundle). He computes the premium to be £23,853.

## **Lease details**

3. The Respondent missing landlord is the lessor of the premises which comprises two flats on the ground and first floors. The leases are for terms of 99 years from 29 September 1987 at a ground rent of £75 per annum for the first 33 years, £150 for the next 33 years, and £225pa for the final 33 years.

(i) Mr Morgan describes the ground floor flat as comprising two double bedrooms, a living room, a kitchen and two bathrooms. There seem to be lease plans at p.62 and p.80. It is not entirely clear where the second bathroom is situated. This flat has exclusive use of the rear garden and there is no off-street parking. The GIA of the flat is approximately 630 square feet.

(ii) Mr Morgan describes the upper flat as having the same accommodation, but with an additional single bedroom. The GIA is approximately 678 sq ft.

4. Mr Morgan states that improvements to the two flats have been carried out over the past 30 years, including double glazing, central heating and newly fitted bathrooms and kitchens. We have been provided with limited evidence of these improvements which must be ignored for valuation purposes.

## **Valuation date**

5. The valuation date is 18 February 2016, namely the date of the application to the Court (s.27 (1) (b)). Mr Morgan's "chosen valuation date" is 29 March 2016. This difference is not significant to our valuation.

## **Hypothetical Unimproved Freehold Value of each Flat**

6. Mr Morgan values the freehold value of each flat to be £215,000. Whilst the first floor flat is slightly larger, it does not have the benefit of the garden. He bases his valuation on the sale of the ground floor flat in the property for

£132,5000 in January 2012. He adjusts this for time, relativity and improvements to derive an unimproved freehold value of the ground floor flat of £215,000.

7. Mr Morgan also has regard to seven recent sales (at p.28). Two of these properties are house. The sales occurred between August 2015 and February 2016. No adjustment is made for time. He computes that the average price per square foot of these properties is £336.48, and computes values of £212,000 and £228,000 for the two flats from which he makes an adjustment of £15,000 for improvements. This would reduce the values to £197,000 and £213,000. Mr Morgan relies on this to support his figure of £215,000 derived from the actual sale of the ground floor flat.
8. The Tribunal rather determines the freehold value of the two flats to be £240,000. We have regard to the two sales in January and February 2016, both of which are close to the valuation date. These flats are 156a and 182a Herbert Road which sold for £242,000 and £215,000 respectively. Both of these are one bedroom flats and are somewhat smaller, namely 559 and 519 square feet respectively.
9. In the view of the Tribunal, Mr Morgan has undervalued the extended freehold value of the two flats. Neither are we persuaded that we should make any significant reductions to these two comparables, the details having been taken from web-sites and agents particulars. Mr Morgan not inspected the properties. However, it is unlikely that the subject flats in their unimproved condition would have commanded a price in excess of £240,000. We therefore adopt £240,000 as the freehold value of the two flats.

#### **Capitalisation Rate**

10. We are satisfied that 7%, the figure proposed by Mr Morgan, is the appropriate figure to adopt.

#### **Deferment Rate**

11. We approve the "Sportelli" rate of 5% for deferment which Mr Morgan has adopted.

#### **Relativity**

12. We approve the figure of 93% for relativity which Mr Morgan has adopted and is the average of six of RICS graphs.

#### **Calculation of the Premium**

13. The only adjustment that we have made to Mr Morgan's valuation is to adopt a freehold value of each flat of £240,000, rather than £215,000. We have noted some discrepancies in the description of the subject premises. However, we are satisfied that it would have been disproportionate to have either inspected the subject property and the comparables, or to have

adjourned our determination for oral submissions. We remind ourselves that our role is to determine whether the valuation proposed by the nominee purchaser is fair to the missing landlord.

14. The effect of the adopting a freehold value of each flat of £240,000 is to increase the total freehold value from £8,802.69 to some £9,680, and the marriage value from £3,123.66 to some £3,500. We therefore determine the premium to be paid in respect of each flat to be £13,000, the total being £26,000.

**Robert Latham**  
**Tribunal Judge**

9 August 2016