



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

Case reference	:	LON/00AP/OCE/2016/0059
Property	:	85 Grove Park Road, Tottenham, London, N15 4SL
Applicants	:	(1) Anthea Claire Leyland and (2) Yohannes Sale
Representative	:	Cook Taylor Woodhouse, Solicitors
Respondent	:	James Dobbie
Representative	:	Not represented
Type of application	:	Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal members	:	Judge I Mohabir Mrs S Redmond BSc (Econ) MRICS
Date of determination and venue	:	19 April 2016 at 10 Alfred Place, London WC1E 7LR
Date of decision	:	19 April 2016

DECISION

Summary of the tribunal's decision

- (1) The price payable for the freehold interest is £40,584.

Background

1. This is an application made by the Applicants as the nominee purchasers/ qualifying tenants pursuant to section 24 of the Leasehold

Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the premium to be paid for the collective enfranchisement of 85 Grove Park Road, Tottenham, London, N15 4SL ("the property").

2. By a claim form issued on 16 October 2015 under action number B03ED101 in the Edmonton County Court the Applicants sought an order under section 26 of the Act vesting the freehold interest of the property in the Applicants and to dispense with the service of a section 13 claim notice on the basis that the Respondent could not be found.
3. By Order of District Judge Dias dated 5 February 2016 the Court recorded that it was satisfied that the Respondent could not be found and vested the freehold interest of the property in the Applicants. It ordered, *inter alia* service of the section 13 notice be dispensed with and the matter transferred to the Tribunal for a determination of the price to be paid for the freehold interest.
4. On 16 February 2016, the Tribunal issued Directions, which included a direction that its determination would be based solely on the basis of the documentary evidence filed by the Applicants.
5. The valuation evidence relied on by the Applicants is set out in the report prepared by Mr Adam Robinson, ARICS, dated 30 March 2016.

Decision

6. The Tribunal relied on the description of the property internally given in Mr Robinson's report and refer to paragraph 3 of that report for the description. The Tribunal did not carry out an inspection.
7. The existing leases of both flats were granted for a term of 99 years from 24 June 1983 with current ground rents of £50 per annum, rising to £100 per annum at the next rent review and to £150 per annum at the final review. Both leases were subject to Deeds of Covenant dated 17 May 1995 and 1 October 2014, which are not relevant for valuation purposes.
8. At the relevant date, namely 16 October 2015, the leases had 66.69 years to run.
9. Because the lease has less than 80 years to run, marriage value at 50 per cent is payable. Compensation under paragraph 5 of Schedule 13 to the Act does not arise. In respect of (any) arrears of rent, the landlord has not served demands in statutory form, so no arrears of rent are payable.

10. The value of the ground rents should be discounted at 7% per annum. We agree with Mr Robinson's figure on the basis that this ground rent would be fairly modest and this accords with the Tribunal's own knowledge of market values for this type of investment.
11. We agree with Mr Robinson's use of 5% for the deferment of the reversion, which is in accordance with the decision in *Sportelli*.
12. We accept Mr Robinson's evidence that the unimproved freehold value (including weighting) for the ground floor flat (Flat 85B) is £301,000 and £280,000 for the first floor flat (Flat 85A) giving a total unimproved freehold value of £581,000 for the property.
13. In his analysis at paragraph 3(vii) of his report, Mr Robinson used four comparable properties for each flat and adjusted for time using the Land Registry Index, adjusted for size/floor position and for outside space or the lack of it to give a final adjusted value. He then carried out a weighting of the adjusted values to the value of the subject flat.
14. We noted that Mr Robinson had incorporated two of the ground floor flat comparables in his table of comparables for the first floor. This is not explained, however, even if these were to be excluded, there is no significant effect on the resulting value.
15. Mr Robinson assessed the existing unimproved leasehold value of the flats by applying a relativity of 90.39%, which he derives from the taking an average from four of the five graphs of relativities taken from the 2009 RICS Research Paper in respect of Greater London and England. He excludes the Beckett and Kay graph as it 'is based purely on opinion'. We note that its inclusion would have had no discernable effect. We accept this approach in the absence of actual market evidence.
16. We, therefore accept Mr Robinson's valuation that the purchase price of £40,584 can be apportioned at £20,999 for the ground floor flat (Flat 85B) and £19,585 for the first floor flat.
17. The terms of the draft Transfer (TR1) provided by the Applicants' solicitors are approved save that paragraph 8, 9 and 10 need to be properly completed. In addition, paragraph 11 of the Transfer has to contain the following provision:

"The Transferees hereby covenant with the Transferor that it will observe and perform the covenants on the part of the lessor contained or referred to in the leases referred to in the schedule of notices of leases in the charges register of title number NGL82285 and will indemnify the Transferors from and

against all costs, claims and demands arising from any future breach, non-observance or non-performance thereof."

Name: Judge I Mohabir

Date: 19 April 2016

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

CASE REFERENCE LON/00AP/OCE/2016/0059

**First-tier Tribunal
Property Chamber (Residential Property)**

**Valuation under Schedule 6 of the Leasehold Reform Housing and
Urban Development Act 1993**

**Premium payable for the freehold interest in 85 Grove Park Road,
Tottenham, London, N15 4SL is £40,584.**

Valuation date: 16 October 2015