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

Case Reference : **LON/00AB/OCE/2013/0094**

Property : **23 Beaconsfield Road London N11
3AA**

Applicant : **Matthew James Holingsworth,
Rian de Viliers and Isabel De
Viliers**

Representative : **n/a**

Respondent : **Thomas Riddle**

Representative : **n/a**

Type of Application : **Section 24 Leasehold Reform
Housing and Urban Development
Act 1993**

Tribunal Members : **Mrs F J Silverman LLM
Mrs S Redmond MRICS**

**Date and venue of
Hearing** : **16 July 2013 (paper consideration)
10 Alfred Place, London WC1E 7LR**

Date of Decision : **16 July 2013**

DECISION

**The price payable for the acquisition of the freehold of the property
shall be £ 31,203.00.**

Introduction

1 This decision and summary reasons are issued to inform the parties of the Tribunal's decision in this case as quickly as possible. Either party may apply to the Tribunal for a full statement of reasons for any part of the decision. Any such request must be made to the Tribunal in writing within 21 days of receipt of this document, and the Tribunal will endeavour to issue the full reasons within 6 weeks of its receipt of the request.

Background

2 The Applicant tenants are the owners of the leasehold interests in the property known as **Flat A and Flat 2 23 Beaconsfield Road London N11 3AA** (the property) both of which are held under individual leases for 99 years commencing on 24 June 1984.

3 By order of the County Court the Applicants were held to be entitled to make a claim for enfranchisement under the Leasehold Reform Housing and Urban Development Act 1993, the landlord being unreachable. The Court further ordered that the matter be transferred to the Leasehold Valuation Tribunal (now the First Tier Property Chamber) to determine the price to be paid by the Applicants for the freehold.

4 The matter was considered by a Tribunal on 16 July 2013 as a paper determination. The Applicants did not attend the hearing and the landlord is missing .

5 The Tribunal did not consider it necessary to inspect the property.

6 The Tribunal considered the bundle of papers put before it by the Applicants, including the valuation prepared by Mr A Christou MA MRICS and, having done so determines that the price payable for the freehold reversionary interest shall be £ 31,203.00 .

7 The Tribunal notes that the sum of £376.30 is owing by the tenants of Flat A by way of ground rent and in respect of Flat 2 the amount of ground rent outstanding is £455.55.

8 The following factors were taken into consideration by the Tribunal in reaching their decision on the price to be paid.

8.1 In respect of Flat A (ground floor) Applicants' valuer presented four comparables. The Tribunal discounted 123 Friern Barnet Road as

- being too large by comparison with the subject property. The other three properties were all of an equivalent size to the subject property and within a close proximity but the sale prices offered by the valuer were in 2011. The Tribunal is however prepared to accept these properties as reasonable comparators in view of the fact that there has been little market movement in prices since the date of the sales cited .
- 8.2 The valuer concluded that the unimproved freehold value of the ground floor flat should be £240,000 (£346 pfs) . The Tribunal looked at the average of £364 pfs from the three comparables and accepts that an adjustment must be made to take account of improvements made to the property and considers that a figure of 5% would be reasonable .
- 8.3 In relation to the upper flat the Tribunal discounted 60 Glenthorne Road because it is a house not a flat.
- 8.4 The other two properties offered by the valuer as comparables were acceptable, were more recent sales and situated in reasonable proximity to the subject property.
- 8.5 These produced an average of £337.50 pfs and should be subject to a similar adjustment of 5% to take account of improvements.
- 8.6 This would produce a rate of £320 pfs .
- 8.7 The valuer has adopted a figure of £318 pfs to give a freehold value of £330,000.
- 8.8 The Tribunal notes that 2 Stanford Road has a garden area whereas the upper flat in this case only has an undemised roof terrace.
- 8.9 On balance however the Tribunal considers that the valuer's valuation is reasonable and adopts it for the purpose of this exercise.
- 8.10 The Tribunal also accepts the valuer's conclusions in relation to relativity, capitalisation and deferment rates.
- 8.11 The Tribunal notes that the valuer's original valuation had been returned to him for correction and elaboration and considers that the revised version was still lacking in detail but was able to deduce his intent from the material supplied. The Tribunal would normally expect to be offered more detail about the relevant comparables including source material to justify the valuer's conclusions and a floor plan to show the improvements to the property.

9 The Law

9.1 Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993 (The Act) provides that the price to be paid by the nominee purchaser for the freehold interest shall be the aggregate of the value of the freeholder's interest, the freeholder's share of the marriage value, and compensation for any other loss.

9.2 The value of the freehold interest is the amount which at the valuation date that interest might be expected to realise if sold in the open market subject to the tenancy by a willing seller (with the nominee purchaser, or a tenant of premises within the specified premises or an owner of an interest in the premises, not buying or seeking to buy) on the assumption that the tenant

has no rights under the Act either to acquire the freehold interest or to acquire a new lease.

9.3 Para 4 of the Schedule, as amended, provides that the freeholder's share of the marriage value is to be 50%, and that any marriage value is to be ignored where the unexpired term of the lease exceeds eighty years at the valuation date.

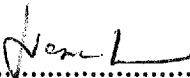
9.4 Para 5 of the Schedule provides for the payment of compensation for other loss resulting from the enfranchisement.

9.5 Schedule 6 also provides for the valuation of any intermediate leasehold interests, and for the apportionment of the marriage value.

9.6 The Tribunal also had regard to the decision in *Earl Cadogan & Cadogan Estates Ltd v Sportelli & Sportelli* (2006) LRA /50/2005

10 The Tribunal approves the draft Transfer as drawn.

11 A copy of the Applicant's valuation as adopted by the Tribunal is attached as Appendix 1.


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Judge F J Silverman as Chairman

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Date 16 July 2013

APPENDIX I

Valuation date: 01/03/2013
Lease term: 99 years from 24/06/1984
Lease expires: 23/06/2083 Unexpired term (years): 70.31

Ground Rent:

Years	4.31	33.00	33.00
Reviews	24/06/2017	24/06/2050	24/06/2083
Rent passing	£ 100	£ 200	£ 300
Capitalisation rate	7.00%	7.00%	7.00%
Deferment rate	5.00%		

Diminution in value of landlords' interests

Before	Rent reserved	£	100		
	YP to 1st review		<u>3.61692</u>	£	362
	Rent reserved	£	200		
	YP to 2nd review		12.75372		
x	PV of £1 to 1st review		<u>0.74682</u>	£	1,905
	Rent reserved	£	300		
	YP to 3rd review		12.75372		
x	PV of £1 to 2nd review		<u>0.08009</u>	£	306
	Reversionary value	£	570,000		
	PV of £1 to expiry		<u>0.0324</u>	£	18,452
				£	21,025
After	Reversionary value	£	570,000		
	PV of £1 to expiry		<u>0.0004</u>	£	229
				£	20,796

Landlords' share of marriage value @ 50%

Proposed

Landlords' interests		£	229		
Extended lease value	100.0%	£	570,000	£	570,229

Present

Existing lease value @ 92.7%	92.70%	£	528,390		
Landlords' interests		£	21,025	<u>£</u>	549,415
Marriage Value				£	20,814
Landlord's share @ 50%					<u>£ 10,407</u>

Premium payable

£ 31,203
