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

Case Reference : **LON/OOBA/OCE/2013/0177**

Property : **2,2A and 2B Oakwood Avenue,
Mitcham, Surrey CR4 3DP (the
Property)**

Applicant : **Adam Anthony Stretton Thompson
and James William Wells and
Tamarin Joy Wells**

Representative : **Dean Wilson LLP solicitors and
Rupert Greenless BA Dip Surv of
Austin Gray**

Respondent : **Syed Murtza Hussain Bokhari
(missing landlord)**

Representative : **None**

Type of Application : **Determination of the premium
payable for the Property pursuant
to s27(1) Leasehold Reform
Housing and Urban Development
Act 1993 (the Act)**

Tribunal Members : **Tribunal Judge Dutton
Mr N Martindale FRICS**

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

Date of Decision : **2nd October 2013**

DECISION

Decisions of the tribunal

- (1) The Tribunal determines that the price to be paid for the freehold is £16,341 apportioned as to £8,070 for the ground floor flat and £8,271 for the first floor flat as set out in the valuation report of Mr Greenlees dated 29th September 2013 (the Report). Such sum is to be paid into the Croydon County Court in claim number 3CRO0831 (the Claim) to enable the matter to complete.
- (2) The transfer is approved as drawn

The application

1. The Applicants seek a determination of the premium to be paid pursuant to s.27(1) of the Act. This follows from an order made in the Claim dated 13th August 2013. The proceedings were issued on 2nd April 2013, which is the valuation date for the purposes of assessing the price to be paid.

The Evidence

2. The Property is a two storey end of terrace building containing two flats which confusingly appear to be addressed at 2a and 2a and b Oakwood Avenue. The details of the flats are set out in the Report, which we have read. It is noted that the freehold is to be held in the sole name of Mr Adam Anthony Stretton Thompson, the owner of the first floor flat.
3. Mr Greenlees in the Report confirms the following:
 - (i) The leases are for terms of 99 years from 25th March 1988 at a ground rent of £65 for each flat. The remaining term is therefore 73.98 years
 - (ii) Both flats appear to have a gross internal area of 80 sq m
4. The Report goes on to detail the location, the description of the flats and then turns to the assessment of the freehold vacant possession value. Mr Greenlees dismisses the sales of the flats in 2012 (first floor) and 2007 (ground floor) for the reasons set out at paragraphs 11.5 and 11.6. Instead he uses comparable evidence to be found in flats at 18 Edmund Road, 196 Lavender Avenue, 54 Hawthorne Avenue and 176 Western Road. We have considered those comparable properties and have viewed the estate agents particulars which are appended to the Report.

5. As to relativity he refers to the Austin Gray graph produced in 2008 as part of the RICS guidance although indicated that he intended to review the graph which he said would reflect “marginally lower relativity over the 80 year to 70 year range”. He settled on a relativity of 94.7%.
6. On the issue of capitalisation rates he chose a figure of 7% as being a “conventional rate” and followed the Court of Appeal in Sportelli using a deferment rate of 5%
7. Taking these matters into account, with a capital value for the first floor flat of £195,000 and £190,000 for the ground floor flat gave the enfranchisement figure of £16,341. This was apportioned as to £8,070 for the ground floor flat and £8,271 for the first floor flat.

The tribunal’s decision

8. We have considered the Report. There are areas with which we have no disagreement. We accept the capitalisation rate of 7% and the deferment rate of 5%. We are prepared to accept that the relativity of 94.7% reflects the average of the graphs used to “establish” relativity in the Greater London area, one such graph being that prepared by Austin Gray.
9. We did closely consider the capital value of the two flats based on the comparable evidence. In a helpful table at appendix 4 of the Report Mr Greenlees had broken down the comparable evidence to reflect the various elements such as lease length, the size, condition and whether car parking was available. We noted that for the first floor flat at the Property he had not made any provision for the benefit of a small garage which would undoubtedly add value for storage, if nothing else. We considered “tinkering” with the comparable values and the weighting given to each. However, in so doing and inserting those amended figures into the valuations prepared at appendix 1 we found it made little difference to the overall price, and not sufficient, in our finding, to interfere with the final figure put forward by Mr Greenlees for both flats.
10. Accordingly we accept Mr Greenlees values as set out in the Report, namely £8,070 for the enfranchisement price for the ground floor flat and £8,271 as the enfranchisement price for the first floor flat.
11. We have considered the terms of the draft transfer which is approved as drawn.

Andrew Dutton

Andrew Dutton - tribunal Judge

2nd October 2103