



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

Case reference : LON/00AT/OCE/2015/0042

Property : 107 & 107A Western Road, Southall,
Middlesex UB2 5HN

Applicants : Balvinder Singh Virdee (1)
Jyotinder Kaur Virdee (2)
Narindejit Singh Deol (3)
Nainder Kaur Deol (4)

Representative : Redferns Solicitors

Respondent : Chanan Kaur

Representative : Not applicable (missing landlord)

Type of application : Application under sections 26 and
27 of the Leasehold Reform
Housing and Urban Development
Act 1993

Tribunal members : Ms N Hawkes
Mrs S Redmond BSc (Econ) MRICS

Venue : 10 Alfred Place, London WC1E 7LR

**Date of paper
determination** : 30/04/2015

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the price to be paid by the applicants for the freehold interest is £26,943.
- (2) The terms of the draft transfer are provided for in paragraph 16 below.

The Background

1. This is an application pursuant to a vesting order made by District Judge Wicks under section 26 of the Leasehold Reform Housing and Urban Development Act 1993 ("the 1993 Act") at the County Court sitting in Uxbridge on 18th September 2014.
2. Section 26(1) of the 1993 Act concerns claims for collective enfranchisement where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 27 of the 1993 Act, the role of the Tribunal is to determine the appropriate sum to be paid into court in respect of the landlord's interests and also to approve the form and terms of the proposed transfer.
4. The applicants in this matter, who are listed in the heading to this application, were the qualifying tenants of two maisonettes on the ground and first floors respectively of a two storey Victorian building ("the Property"). The Respondent freehold owner is Chanan Kaur.
5. The applicants have issued a Part 8 Claim at the County Court at Uxbridge for an order pursuant to section 26(1) of the 1993 Act vesting the freehold interest in the Property in the applicants. The applicants have been unable to ascertain the whereabouts of the respondent and they were therefore unable to serve a notice on the respondent pursuant to section 13 of the 1993 Act.
6. The County Court order of 18th September 2014 vests the freehold interest in the Property in the applicants subject to the determination by the Tribunal of (a) the terms and form of the transfer and (b) the appropriate sum to be paid into court.
7. In support of the application, the applicants rely upon the written valuation evidence of Mr J R Crosbie FRICS.
8. In his initial report dated 4th November 2014, the valuation date adopted by Mr Crosbie was the date of the order of District Judge Wicks, namely 18th September 2014. However, the valuation date prescribed by section 27(1)(b) of the 1993 Act is the date of the applicant's application rather than the date of the subsequent vesting order.

9. Accordingly, on 23rd March 2015, the Tribunal gave directions for the applicants to provide the Tribunal with evidence of the date of issue of the County Court proceedings; an updated report from Mr Crosbie setting out his revised valuation based on the correct valuation date; and any other representations upon which the applicants wish to rely.
10. By letter dated 7th April 2015, the applicants informed the Tribunal that a sealed copy of the application had not been received from the County Court, despite a written request for a copy. However, the applicants were able to provide the Tribunal with a copy of the Notice of Hearing of the first hearing on 18th September 2014 which is dated 1st July 2014.
11. On the basis of the extremely limited evidence available, the Tribunal determines on the balance of probabilities that the date of the applicants' application is 1st July 2014. This is the valuation date which has been adopted by Mr Crosbie in his updated valuation report dated 7th April 2015.
12. On 30th April 2015, following consideration of Mr Crosbie's updated report, the Tribunal wrote to Mr Crosbie requesting a more detailed explanation for a reduction of the freehold value in the updated report. Mr Crosbie responded extremely promptly by letter dated 30th April which was sent by fax to the Tribunal.
13. Mr Crosbie is of the view that the premium to be paid is £26,943.

The Determination

14. The Tribunal accepts the opinions expressed by Mr Crosbie his updated valuation report dated 7th April 2015 and letter dated 30th April 2015. However, the Tribunal has prepared its own valuation, a copy of which is attached to this decision.
15. Accordingly, the Tribunal determines that the premium to be paid in respect of the collective enfranchisement of the Property is £26,943.
16. The Tribunal also approves the draft transfer which has been submitted by the applicant, subject to the inclusion in box 8 that the consideration (the premium of £26,943) has been paid into court.
17. This matter should now be returned to the County Court sitting at Uxbridge under Claim Number A00UB817 in order for the final procedures to take place.

Judge N Hawkes

30th April 2015

**LEASEHOLD REFORM, HOUSING & URBAN DEVELOPMENT ACT 1993
VALUATION FOR ENFRANCHISEMENT
107 and 107a Western Road, Southall, UB2 5HN**

Facts and matters determined:

Valuation date	01/07/2014
Lease of 107 from 25/12/1988 for 90 years, rising ground rent every 33 years of £100, £150, £200	
Lease of 107a from 29/9/81 for 99 years, rising ground rent every 33 years of £30, £50, £70	
Term unexpired Flat 107	63.5 years
Term unexpired Flat 107a	66.25 years
Virtual Freehold value unimproved of 1C	£ 171,000
Virtual Freehold value unimproved of 1C	£ 178,000
Capitalisation rate	7%
Deferment rate	5%
Relativity Flat 107	89.02%
Relativity Flat 107a	90.04%

Diminution in Value of Freeholder's interest

Freeholder's Present Interest:	£	£	£
Flat 107 ground floor			
Value of current Ground Rent income	100		
YP 7.49 years @ 7%	5.6794	568	
Ground rent at first review	150		
YP 33 years @ 7%	12.7538		
deferred 7.49 years	0.6024	1,153	
Ground rent at second review	200		
YP 24 years @ 7%	11.4693		
deferred 40.49 years	0.0646	148	
		<u>1,869</u>	
Reversion to virtual Freehold value	171,000		
deferred 64.49 years @ 5%	0.0430	7,353	
		<u>7,353</u>	9,222
Flat 107a first floor floor			
Value of current Ground Rent income	30		
YP 0.25 years @ 7%	0.2396	7	
Ground rent at first review	50		
YP 33 years @ 7%	12.7538		
deferred 0.25 years	0.9832	627	
Ground rent at second review	70		
YP 33 years @ 7%	12.7538		
deferred 33.25 years	0.1054	94	
		<u>728</u>	
Reversion to virtual Freehold value	178,000		
deferred 66.25 years @ 5%	0.0395	7,031	7,759
		<u>7,031</u>	

Marriage Value:

Value of proposed interests:

Freeholder's	0	
Leaseholder's	349,000	349,000

less value of existing interests

Freeholder's: flat 107	9,222	
flat 107a	7,759	
Leaseholder flat 107	152,224	
Leaseholder flat 107a	160,271	329,476
Marriage value thus		<u>19,524</u>

Freeholder's share of Marriage value 9,762

Other compensation 200

Enfranchisement price payable £ 26,943