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

Case reference : LON/00AE/OCE/2016/0045

Property : 51 Wendover Road, Harlesden,
London, NW10 4RX

Applicant : Spencer Bowring Ltd

Representative : Mathias Gentle Page Hassan LLP,
Solicitors

Respondent : Kathleen Conway

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** : 20 April 2016 at
10 Alfred Place, London WC1E 7LR

Date of decision : 20 April 2016

DECISION

Summary of the tribunal's decision

- (1) The price payable for the freehold interest is **£37,600**.

Background

1. This is an application made by the Applicant as the nominee purchaser 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 51 Wendover Road, Harlesden, London, NW10 4RX (“the property”).

2. By a claim form issued on 26 February 2015 under action number B00CL419 in the Central London County Court the Applicant sought an order under section 26 of the Act vesting the freehold interest of the property in the Applicant on the basis that the Respondent could not be found.
3. By Order of District Judge Lightman dated 29 January 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*, that the matter transferred to the Tribunal for a determination of the price to be paid for the freehold interest.
4. On 4 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. However, by supplementary Directions dated 18 March 2016, the Tribunal listed the matter for a short hearing to deal with various valuation matters arising from the Applicant’s valuation report.
5. The valuation evidence relied on by the Applicant is set out in the initial report prepared by Mr Barry Kyte, BSc Est Man MRICS, dated 23 February 2016 and a supplemental report filed with the Tribunal on the day of the hearing.

Decision

6. The hearing in this matter took place on 20 April 2016. The Applicant was represented by Mr Kyte. The Respondent did not attend and was not represented.
7. The Tribunal relied on the description of the property internally given in Mr Kyte’s report and refer to paragraph 3 of that report and section iv. of the supplemental report for the description. The Tribunal did not carry out an inspection.
8. The existing leases of both flats were granted for a term of 99 years from 24 June 1986 with each subject to a ground rent of £75 per annum, rising in 4.33 years to £150 per annum each for 33 years and then £300 per annum for the final 33 years of the term.
9. At the relevant date, namely 26 February 2015, the leases had 70.33 years to run.

10. 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.
11. The main roof void has been converted within the confines of the roof rafters to provide a habitable double bedroom for the first floor flat. Apparently, this conversion has been carried out without any licence for alterations having been granted by the Respondent. However, Mr Kyte asserted that this area was demised under the lease of the first floor flat and, consequently, this improvement fell to be disregarded from the value of this flat. He considered that the value of the attic space as demised was £12,000 taking into account the lack of dormer window and sloping roof. With respect to the garden land, he considered that there was no additional value for the rear vehicle access because parking at the rear detracted from the use of the land as a garden. His comparables included garden space. We agreed with Mr Kyte.
12. The value of the ground rents should be discounted at 6.5% per annum. We agree with Mr Kyte'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.
13. We agree with Mr Kyte's use of 5% for the deferment of the reversion, which is in accordance with the decision in *Sportelli*.
14. We accept Mr Kyte's analysis of the 7 comparable ground and first floor flats set out in his supplemental report and the resultant unimproved freehold value is £660,000. This is based on unimproved freehold values of £325,000 and £335,000 (including £12,000 for the value of the loft space) for the ground and first floor flats at the property respectively.
15. Mr Kyte assessed the existing unimproved leasehold value of the flats by applying a relativity of 92.50%, which he derives from numerous similar lease extension and freehold enfranchisement cases he had been involved in the immediate area. As a cross check, Mr Kyte generally followed the rate just above that of the "Nesbitt" Graph of Relativity for a property of this type. He confirmed that the averaging approach using the RICS 2009 Research for Greater London and England would produce 92.72%. We accept this approach in the absence of actual market evidence.
16. We, therefore accept Mr Kyte's valuation that the purchase price of £37,600 can be apportioned at £18,515 for the ground floor flat (Flat A) and £19,085 for the first floor flat (Flat B). We note that Mr Kyte's valuation shows the majority of multipliers to two decimal places, however, after checking the calculation it is clear that the figures

actually used are correct to 4 and 5 places and produce the arithmetically correct final result. We have also cross-checked the apportionment, which is not shown on the valuation and confirm that the assessment is correct.

17. The terms of the draft Transfer (TR1) provided by the Applicants' solicitors are approved save that 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 Transferor from and against all costs, claims and demands arising from any future breach, non-observance or non-performance thereof."

Name: Judge I Mohabir

Date: 20 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/00AE/OCE/2016/0045

**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 51 Wendover Road,
Harlesden, London, NW10 4RX is ££37,600.**

Valuation date: 26 February 2015