



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

**Case Reference** : **LON/00AE/OCE/2021/0148**

**Property** : **14, The Dene, Wembley, Middlesex, HA9  
7QT**

**Applicants** : **Denis Kennedy and Julie Kennedy**

**Representative** : **Freemans Solicitors**

**Respondents** : **Farooq Azam and Najma Farooq Azam**

**Representative** : **None (missing landlord)**

**Type of  
Application** : **Section 26 Leasehold Reform, Housing  
and Urban Development Act 1993 (the  
Act)**

**Tribunal Members** : **Mrs H C Bowers – Valuer Chair**

**Date of Decision** : **20 October 2021**

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**DECISION**

- **The Tribunal determines that the premium payable for the collective enfranchisement of £64,300.**
  - **No sums are payable under section 27(5)(b) of the Leasehold Reform, Housing and Urban Development Act 1993.**
  - **The TR1 is approved subject to the amendments as set out in paragraph 19 below.**
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## **REASONS**

### **BACKGROUND**

1. By an order made by Deputy District Judge McCormack dated 31 July 2021 in the County Court at Willesden in claim number H00WD139 (“the Order”) between the parties named on the front page of this decision, the matter was remitted to the Tribunal. The original claim was issued on 22 February 2021, this being the valuation date. The Tribunal is required to determine the terms of acquisition including the premium and other sums payable by the Applicants, pursuant to section 27 and Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) in respect of 14, The Dene, Wembley, London, HA9 7QT (the subject property).
2. The Tribunal originally issued Directions on 27 August 2021.
3. The Tribunal had before it a bundle of 215 pages prepared by the Applicants’ solicitors. These papers included the Claim Form with a Witness Statements from Ganesh Khatri and supporting documentation; the Court Order of 31 July 2021, copies of the freehold and leasehold registers of title and the leases of the two flats in the subject property. The freehold interest is under title number NGL298164. The lease for the First Floor Flat (title number NGL657250) is dated 31 January 1990 and is for a term of 99 years from 29 September 1989. The lease for the Ground Floor Flat (title number NGL657370) is dated 8 December 1989 and is for a term of 99 years from 29 September 1989.
4. Additionally, the Tribunal was provided with a copy of a valuation report prepared by Mr Ross George Maunder Taylor MRICS AMAE of Messrs Maunder Taylor. The report is dated 23 September 2021. There was also a copy of a proposed TR1.
5. The subject property is a two-storey, semi-detached property that has been converted to provide two flats, one on the ground floor and one on the first floor. The Applicants hold the two long leasehold interests in the two flats and seek to collectively enfranchise the property.
6. The valuation report confirms that the valuation date adopted is the date of the issue of the claim, namely 22 February 2021. The property is described as being located on a residential road in Wembley with local amenities on the High Road which is approximately 700 m away. Details of the local transport links has been provided. The property is described as dating from the 1930’s and is of rendered masonry construction with a pitched tiled roof.
7. The Ground Floor Flat (GFF) is described as having a living room, two bedrooms, a kitchen and a bathroom. It has sole use of the rear garden and 50% of the front garden, that provides off-street parking. The flat has a floor area of 60.01 m<sup>2</sup>. The First Floor Flat (FFF) has a living room, one bedroom, a kitchen and a bathroom and has 50% of the front garden,

providing a single car space, but with no other external area. The floor area is said to be 52.00m<sup>2</sup>.

8. Each lease is for a term of 99 years from 29 September 1989 with an initial ground rent of £50 rising after 33 years to £100 and then after a further 33 years to £150 per annum.
9. The valuation report suggests a capitalisation rate of 6% as the ground rents are relatively modest sums. This rate reflects settlements that Mr Maunder Taylor has reached on properties with similar ground rent arrangements. He has applied a deferment rate of 5%.
10. In respect of the unimproved freehold values, Mr Maunder Taylor used the several comparables and provided a map to show the comparables in relation to the subject property. Also provided were the sales particulars for each property. The comparables are summarised below:
  - 7 Park Road, a two-bedroom, converted flat that sold for £365,000 in April 2021. The flat has a rear garden and off-street parking. The floor area is 63.2 m<sup>2</sup>. The flat was sold with a share of the freehold. Mr Maunder Taylor thought this was in a better condition than the GFF in the subject property.
  - 125 Clarendon Gardens is a two-bedroom flat in a 1960's purpose-built block. The flat was under offer in April 2021 at £315,000 with contracts due to exchange in July 2021. The interest is an unexpired term of 97 years. There are two bedrooms a living room, kitchen and bathroom with a separate WC. The floor area is 70m<sup>2</sup>. One of the bedrooms gives access to a balcony and there are communal gardens and there are two off-street parking spaces allocated. Mr Maunder Taylor had been informed that the interior had been refurbished but he acknowledged that the exterior may be a detraction. In weighing up the characteristics of this comparable he concluded that the GFF at the subject property would achieve a higher price.
  - Flat 16, Bell House, Hirst Crescent, sold for £303,500 in September 2020 for a 108-year lease. The flat is a purpose-built, two bedrooms flat of 62.7 m<sup>2</sup> and includes a living room, kitchen, family bathroom and en-suite bathroom and a balcony from the kitchen and what appears to be a useful storage cupboard. There are two off-street parking spaces allocated. Mr Maunder Taylor considers the subject GFF would achieve a higher sum than this comparable.
  - 36a Llanover Road was under offer at £280,000 for a 100-year lease. The vendor withdrew from the sale. The property is a one bedroom flat with a living room, kitchen and a bathroom leading off from the kitchen with 45.8 m<sup>2</sup>. The flat has exclusive use of a garden area. Mr Maunder Taylor puts little weight on this as there was no sale but concludes that taking all the factors into account that the FFF at the subject property would command a similar price to what could be obtained for this comparable.

- 119a St Johns Road was under offer at £270,000 in January 2021 for a new 125-year lease, but the sale did not proceed. This is a one bedroom flat with reception room, kitchen, bathroom and a separate WC and a floor area of 46.7m<sup>2</sup>. Again, Mr Maunder Taylor puts little weight on this comparable but concludes the FFF at the subject property would command a similar price as what could be achieved for this comparable.
11. From these comparables Mr Maunder Taylor adopts a freehold value of £330,000 for the GFF and £275,000 for the value of the FFF.
  12. The unexpired terms at the valuation date are 67.5 Years. Mr Maunder Taylor states that there is no short lease evidence. Therefore, he concludes that it would be appropriate to adopt the Savills Unenfranchiseable graph of relativity. From this graph he uses a figure of 83% for relativity.
  13. By inputting these variables into a valuation formula, Mr Maunder Taylor calculated the premium for the subject property to be £64,300.

#### **FINDINGS.**

14. The Tribunal is happy to adopt the capitalisation rate and the deferment rates proposed by Mr Maunder Taylor. The ground rents are set at a modest level and with stepped increases. However, the level of growth is limited and is not geared to market values. The adoption of 5% as a deferment rate is standard and in line with relevant case law and is accepted by the Tribunal.
15. In respect of the freehold value of the two flats, the comparables provided for the Ground Floor Flat are useful and it is frustrating that there is no evidence in the immediate vicinity of one bedroom flats to help assess the value of the First Floor Flat. Overall, the Tribunal is happy with the analysis undertaken and accepts the figures put forward By Mr Maunder Taylor. The Tribunal therefore adopts the figures of £330,000 for the Ground Floor Flat and £275,000 for the value of the First Floor Flat.
16. As to the issue of relativity, it is accepted that due to the lack of any short lease evidence the use of the relativity graphs would be appropriate in this case. Therefore, the Tribunal accepts a relativity of 83% from the Savills Unenfranchiseable graph of relativity for the current unexpired terms.
17. The Tribunal has checked all these variables and the valuations and accepts the figures proposed by Mr Maunder Taylor and determines the premium of £64,300.
18. The Tribunal is also required to determine any other sums payable under section 27(5)(b) of the Act. It would appear that no ground rents have been demanded and there are no details as to whether any service charges have been demanded. However, if the Respondents have not

served any rent or service charge demands in the statutory form no arrears of service charges are payable and therefore no sum is therefore payable into court under section 27(5)(b) of the Act.

19. The TR1 form as included in the bundle is amended as follows:
- Panel 9 the transferor transfers with limited title guarantee;
  - Panel 11 should have the following wording: *“This conveyance [or transfer] is executed for the purposes of Chapter I of Part I of the Leasehold Reform, Housing and Urban Development Act 1993.” (section 34(10) of the Leasehold Reform, Housing and Urban Development Act 1993 and rule 196 of the Land Registration Rules 2003)* and *“The transferees hereby covenants with the transferor hence from to observe the covenants on the part of the Landlord contained in the registered leases and to indemnify the transferor against all costs claims or demands made in respect of any future breach non-observance thereof.”*
  - Panel 12 should have the wording for each transferee: *“Signed as a Deed by the officer of the Court nominated to execute this deed on behalf of name of transferor in accordance with the Order of the Court dated...”*

Helen Bowers  
Tribunal Chair

20 October 2021

### **ANNEX - RIGHTS OF APPEAL**

1. 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.
2. 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.
3. 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.
4. 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