



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

Case Reference	:	LON/00BC/OCE/2019/0026
Property	:	59 Cowslip Road, South Woodford, London E18 2JS
Applicants	:	Andrew Mitchell Dowsett and Lindsay Robertson Mackay (1) and Kate Boyle and Christopher John Foster (2)
Representative	:	Anthony Gold Solicitors
Respondents	:	Persons Unknown
Representative	:	None
Type of Application	:	S27 Leasehold Reform, Housing and Urban Development Act 1993 – determination of the appropriate sum and terms of the conveyance
Tribunal Members	:	Judge John Hewitt Ms Marina Krisko BSc (EstMan) FRICS
Date and venue Determination	:	12 March 2019 10 Alfred Place, London WC1E 7LR
Date of Decision	:	12 March 2019

DECISION

The issues before the tribunal and its decisions

1. The issues before the tribunal were:
 - 1.1 The appropriate sum to be paid into court; and
 - 1.2 The terms of the conveyance
2. The decisions of the tribunal are:
 - 2.1 The appropriate sum mentioned on s27(5) of the Act is £12.50; and
 - 2.2 The conveyance shall be in the form of the draft attached hereto
3. The reasons for these decisions are set out below.

NB Later reference in this Decision to a number in square brackets ([]) is a reference to the page number of the hearing file provided to us for use at the hearing.

Procedural and title background

4. The Property was originally constructed as a two-storey terraced house. It has subsequently been adapted to create two self-contained flats – 59 and 59a.
5. On 4 May 1962 a Mr Geoffrey Frank Pike granted to Henry Spencer Payne and Marie Yvonne Payne a lease of the ground floor flat (59a) for a term of 999 years from 25 April 1962 at a ground rent of ten shillings per annum [40].

On 18 March 1968 the lease was registered at HM Land Registry with title number NGL64840.

On 22 December 2016 the first applicants were registered at HM Land Registry as proprietors of the lease [23].

6. On 7 May 1962 a Mr Geoffrey Frank Pike granted to Charles Edward Parker a lease of the first floor flat (59) for a term of 999 years from 25 March 1962 at a ground rent of ten shillings per annum [31].

On 11 July 1968 the lease was registered at HM Land Registry with title number NGL76976.

On 26 August 1998 the second applicants were registered at HM Land Registry as proprietors of the lease [27].

7. The freehold interest is not registered at HM Land Registry. The applicants assert, and the court has accepted, that the owner(s) of the freehold interest cannot be found or their identity ascertained. Evidently some deeds executed between May 1962 and November 1974 are indicative that at some time the freehold interest was transferred to the then owners of the two leases but there is no clear chain of title.

8. On 12 December 2018 the applicants (as claimants) filed a claim in the County Court at Wandsworth (Claim No E01WT856) in which they sought a vesting order pursuant to s26(1) of the Act.

On 24 January 2019 District Judge Hugman sitting at the County Court at Wandsworth made an order inter alia:

“1. ...

2. *The proceedings be transferred to the First-tier Tribunal (Property Chamber) 10 Alfred Place ... for determination of the appropriate premium payable and the terms of the transfer. The relevant valuation date under the Act shall be 12 December 2018.*

3. ...

4. ...”

9. On 28 January 2019 the tribunal received an application form dated 25 January 2019. Directions were duly issued. In compliance with those directions the tribunal has received a bundle of material documents.

The appropriate sum

10. S27(5) of the Act provides that the appropriate sum which is to be paid into court pursuant to s27(3) in respect of any interest is the aggregate of:

(a) such amount as may be determined by the [tribunal] to be the price which would be payable in respect of that interest in accordance with Schedule 6 if the interest were being acquired in pursuance of such notice as is mentioned in subsection (1)(b); and

(b) any amounts or estimated amounts, determined by such a tribunal as being, at any time of execution of the conveyance, due to the transferor from the tenants of his premises ... due under or in respect of their leases or under or in respect of agreements collateral thereto.

11. At [113] there is a valuation report prepared by Mr Roger Anthony Armstrong FRICS of Westburys – Chartered Surveyors. Mr Armstrong recites the relevant history, the length of the term of the leases and the very modest ground rent £0.50 pa payable under each lease. Mr Armstrong concludes that the cost of collection of the ground rent exceeds its value such that value is nominal only. He assesses it at £0.00.

12. From a commercial perspective that may a logical conclusion. We have to carry out a statutory valuation in accordance with Schedule 6 of the Act. We recognise the cost of collection point and we arrive at a capitalisation rate of 8%. Accordingly, we arrive at a value of £12.50.

13. As to s27(5)(b) no evidence of any ground rent or service charge arrears or other sums payable under the leases has been put before us. The evidence before us is the effect that no landlord has taken any active interest in the Property since prior to 1974 and the Property has been managed on a day to day basis by the lessees as regards insurance and repairs and maintenance. In these circumstances and having regard to the current formal requirements concerning demands for ground rent and to the provisions of the Limitation Act 1980 we find that there are no other sums payable under s27(5)(b) of the Act.
14. Accordingly, we determine that the appropriate sum for the purposes of s27(5) is £12.50.

The conveyance

15. The draft conveyance submitted to us is at [135 – 137].

It is approved subject to the following amendments:

Box 4 should record the Transferor as being: *“Henry Spencer Payne, Marie Yvonne Payne and Charles Edward Parker or other the current owners of the freehold interest being persons unknown”*

Box 9 shall record that the Transferor transfers with: *“limited title guarantee”*

16. The first amendment is to make it clear that the transfer is made by the current owner(s) whoever they might be.

The second amendment is to accord with the provisions of paragraph 2(2) of Schedule 7 to the Act.

Judge John Hewitt
12 March 2019

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.