



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

Case reference : **LON/00AY/OLR/2020/0742**

**HMCTS code
(paper, video, audio)** : **P: PAPERREMOTE**

Property : **LON/00AY/OLR/2020/0742**

Applicants :
(1) **SITEXIA INVESTMENTS LTD
(Flat 11b)**
(2) **LOUISE EMMA DAVISON (Flat
11a)**

Representative : **Sylvester Amiel Lewin and Horne LLP**

Respondent : **MOHAMMED RAOF NAYM-ZADEH**

Representatives :

Type of application : **Absentee Landlord – determination of
premium payable for new lease,
sections 26 and 27 Leasehold Reform,
Housing and Urban Development Act
1993**

Tribunal members : **JUDGE SHAW
Mr KEVIN RIDGEWAY MRICS**

Venue : **REMOTE PAPER DETERMINATION**

Date of decision : **19th November 2020**

DECISION

Covid-19 pandemic: description of hearing

This has been a remote determination on the papers which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because of the pandemic, and all issues could be determined on paper, following narrowing of the issues in this case and the documents submitted by the Applicants. All necessary documents were in the bundle submitted to the Tribunal, the contents of which have been noted. The order made is as appears at the conclusion of this decision

INTRODUCTION

1. This case involves an application for determination of the terms of acquisition of the freehold title of 11 Dollis Road, Finchley, N3 1RB (the property”), pursuant to the provisions of section 27 of, and Schedule 6 to, the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”). The case has been transferred to the Tribunal consequent upon the order of the County Court at Barnet, dated 25th February 2020, it having been impossible to trace the whereabouts of the Respondent freeholder.

THE EVIDENCE

2. The application is supported by an expert’s report and valuation dated 1st October 2020, prepared by Mr Jonathan F Slater MRICS, MA LLB. Mr Slater is a chartered surveyor and the owner and Principal Director of Foster Slater Chartered Surveyors. He has over twenty years of experience in the profession, and has carried out many valuations of this kind.
3. The property, which Mr Slater inspected on 10th September 2020, is a late Victorian mid-terrace house, which has been converted into ground and first floor flats. Flat A on the ground floor is owned by the second Applicant, and Flat B on the first floor is owned by the first Applicant company. There are full descriptions of the flats, coupled with

photographs and plans, in Mr Slater's helpful report. The valuation date corresponds with the date of issue of proceedings, that is 16th October 2019. Both flats are held on leases of 99 years from 24th June 1987, which Mr Slater calculates as leaving 66.69 year remainders. The ground rent both leases is £50pa for the first 33 years, rising to £100 for the next 33 years and £150pa for the remainder of the term.

Valuation of Landlord's Current Interest

4. Mr. Slater has referred to some 7 comparables at paragraph 8.1 of his report, and in respect of each has carried out an analysis and supplied comments. He has applied the usual indices (Land Registry House Sales, and Gerald Eve and Savills 2016 Relativities, to make the necessary adjustments for date of sale and unexpired term (see summary at Appendix 5 of the report). Each of the comparables seems to be appropriate in respect of the subject property (some are in the same road, and the others are local) and the Tribunal is content to adopt them for the purposes of the valuation set out at Appendix 8 of Mr Slater's report.

Relativity

5. In considering the appropriate relativity, Mr Slater notes that he has been unable to discover any relevant short lease sales, and has therefore had to revert to the preferred graph guidance (Savills and Gerald Eves 2016 graphs), see the Mundy and Deritend decisions. Mr Slater has referred in addition to several authorities at paragraph 9.4 of the report. No point would be served by repeating those authorities herein; suffice it to say that the Tribunal considers the approach taken on behalf of the Applicants a reasonable one, and the result achieved (82.68%) is again adopted by the Tribunal.

Capitalisation Rate

6. In considering the capitalisation rate, Mr Slater has considered earlier Tribunal authority as cited in his report, and has adopted the rate of 7%. He considers the rising ground rents referred to above as non-onerous (with which the Tribunal agrees) and the Tribunal is content to adopt this rate.

Deferment Rate

7. So far as deferment rate is concerned, Mr Slater has followed the Decision in *Sportelli*, there being no compelling evidence to support any alternative approach. The Tribunal accepts and adopts the rate of 5% used.

Hypothetical Unimproved Vacant Possession Freehold Valuation of Both Flats

9. The comparables used have been referred to above. The application of these comparables with appropriate adjustments, produces valuations of £425,000 for Flat A and £400,000 for Flat B – which are accepted by the Tribunal.
10. There is no relevant compensation for loss of development in this case. There is a slight adjustment in the sum of £100 in respect of the ground floor entrance path alongside the garden, and in respect of the ground floor common parts – which has been incorporated in the valuation.

CONCLUSION

11. The result of the conclusions referred to above is that the Tribunal accepts and adopts the valuation at Appendix 8 to Mr Slater's report.

This results in a premium to be paid for the new lease in the sum of **£88,900, which** is the finding of the Tribunal. The Valuation is reproduced and attached to this Decision.

JUDGE SHAW

Dated: 19th November 2020

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).

Appendix A

31 Dollis Road N3 1RB
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APPENDIX B

Premium Calculation

LEASEHOLD REFORMING AND URBAN DEVELOPMENT ACT 1993 SECTION 26(1) - MISSING LANDLORD		Valuation Date 16/10/2019	Leases Expire 23/06/2086	31 Dollis Road N3 1RB Case reference: AGR/LON/00AC/GLR/2020/0742
(a) Value of Landlord's Current Interest				
Value of Landlord's present interest				
Period 1 Loss of Rent to	23/06/2020	100		
YP	0.69 years at	7.00%	0.65	
				65
Period 2 Loss of Rent From	24/06/2020	200		
To	23/06/2033			
YP	13.01 years at	7.00%	12.75	
PV £1 in	0.69 years at	7.00%	0.953391	
				241.4
Period 2 Loss of Rent From	24/06/2033	300		
To	23/06/2086			
YP	53.01 years at	7.00%	12.75	
PV £1 in	33.69 years at	7.00%	0.192342	
				392
Reversion to Freehold Values of Flat A and B		£		
Present Value £1 in	66.69 years at	5.00%	0.0386	
				21873
Value of Landlord's Present Interest				34,764
				34,764
(b) Marriage Value				
Total Value of Tenant's Proposed Interest		825,000		
Value of Landlord's Proposed Interest		0		
				825,000
Total Value of Tenant's Present Interest		682,183	Relativity	82.69%
Value of Landlord's Present Interest		34,764		
Marriage Value		218,917		108,043
Landlord's Share 50%				54,022
(c) Any other Compensation				
				(0)
TOTAL ENFRANCHISEMENT PRICE				88,854 but say £88,900

Flat A & B held on identical terms and ground rent initially 99 years from 24.6.1997 at ground rents of £50pa/£100pa/£150pa rising every 33 yrs.

RHPV unimproved Values
 Flat A 1,425,000
 Flat B 1,400,000
