

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	VG/LON/OOAH/OCE/2021/0108
Property	:	96 Bensham Manor Road, Thornton Heath, Surrey, CR7 7AU
HMCTS Code	:	P: Paper
Applicant	:	Roxanne Corrine Emanuel and Baher Safadi
Representative	:	Ringley Law LLP
Respondent	:	Jamil Mohamed Siddiqui (missing landlord)
Representative	:	None
Type of Application	:	Enfranchisement
Tribunal Members:		Judge Robert Latham Marina Krisko FRICS
Date and venue of Hearing	:	Paper determination on 27 July 2021 Alfred Place, London WC1E 7LR
Date of Decision	:	27 July 2021

DECISION

Description of Hearing

This has been a hearing on the papers ("P"). The Directions provided for a paper determination and neither party has requested an oral hearing. This is a missing landlord case. There has therefore been no appearance by the Respondent. Pursuant to these Directions, the Applicant has provided the Tribunal a Bundle of Documents including a valuation report.

Summary of Decision

(1) The Tribunal determines that price to be paid into court in respect of purchase of the freehold of 96 Bensham Manor Road, Thornton Heath, Surrey, CR7 7AU is £20,588.

(2) The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicants.

Background

1. On 6 May 2021, Deputy District Judge Redpath-Stevens, sitting in the County Court at Mayors and City of London Court, made an order pursuant to Section 13 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") dispensing with the requirement to serve an initial claim notice under section 13 to acquire the freehold in 96 Bensham Manor Road, Thornton Heath, Surrey, CR7 7AU (the "Property") in the Applicant. The Judge ordered that the matter be transferred to this Tribunal to determine the premium and the other terms of acquisition.

Evidence

2. We have been provided with a valuation report by Mr Alistair McGill BSc MRICS, dated 12 July 2021. He computes the premium to be £20,588. This is a balanced report.

Lease details

3. The Respondent missing landlord is the lessor of the Property which is a part three storey (including loft conversion), part two storey mid terrace Victorian property which has been converted in to two flats:

(i) Flat 96a is located on first floor and loft and comprises staircase from ground floor, landing, reception, dining room and bedroom to the front of the first floor, WC, bathroom and kitchen to rear of the first floor and a landing and two further bedrooms to the loft space. The space in the loft is restricted by the sloping ceilings. Two of the rooms are small. The flat has exclusive use of part of the garden. The GIA of the flat is 95.19 square metres.

(ii) Flat 96b comprises ground floor hallway, reception, bedroom, kitchen and bathroom and has exclusive use of part of the garden. The GIA of the flat is 54.18 metres.

Both flats are accessed via a communal hallway at ground floor level. To the front of the property is a block paved driveway with parking for two cars. This area is not demised to the lessees. The Property is located in Thornton Heath.

Valuation date

4. The valuation date is 11 November 2020, namely the date of the application to the Court (s.27 (1) (b)).

Hypothetical Unimproved Freehold Value of the Flats

5. Mr McGill has identified 8 comparables, namely (i) 6a Bensham Manor Road; (ii) 42 Bensham Manor Road; (iii) Flat 6 Braidwood House; (iv) Flat 2, 45, Buxton Road; (v) Flat 1, 22 Bensham Manor Road; (vi) 15 Bletchingley Close; (vii) Flat 1, Connaught Towers; and (viii) 53 St Christophers Gardens. He does not provide details of the comparables. Having assessed the comparables and adjusted for the size, location and layout of the subject flats he has applied the following freehold rates:

(i) £3,250 per square metre to the three bedroom Flat 96A which is situated on the first floor and loft level. He computes a freehold value of £310,000.

(ii) £4,600 per square metres to the one bedroom Flat 96B which is situated on the ground floor. He computes a freehold value of $\pounds 250,000$.

The aggregate freehold value is £560,000.

Capitalisation Rate

6. Mr McGill has adopted a capitalisation rate of the ground rent of 5.5%. We approve this.

Deferment Rate

7. We approve the "Sportelli" rate of 5% for deferment which Mr McGill has adopted.

Relativity Rate

8. The leases are for terms of 99 years from 27 January 2003, with unexpired terms of 81.20 years. The unexpired terms of both leases are more than 80 years, and therefore marriage value is not a relevant factor in the premium.

Appurtenant Land

9. There is a block paved driveway to the front of the property with parking space for two cars. This area is not demised to the leaseholders and there are no rights within the leases for the leaseholders to use the driveway. It is therefore available for the freeholder to rent out. Mr McGill has identified a driveway of similar size in the road let out at £91 per month. He has applied a multiplier of five. He assesses the valuation of this area of land at £4,550.

Calculation of the Premium

- 10. Mr McGill computes the basic premium for the Property to be £16,038, to which he has added an additional payment of £4,550 for the Appurtenant Land. The Tribunal has checked his calculation and approve it. He apportions this figure as follows: (i) Flat 96a: £11,027; (ii) Flat 96b: £9,561.
- 11. The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicants at pp.243-5 of the Bundle.

Judge Robert Latham 27 July 2021

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.