



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

Case reference : **LON/OOBA/OCE2021/0175**

Property : **18 Norfolk Road, London, SW19 2HE**

Applicant : **Hanni Awad, Elaine Awad, Rupert Bevan, Jacquelyn Bevan**

Representative : **Geoffrey Stagg**

Respondent : **Peter Heathcote (Missing)**

Representative : **NA**

Type of application : **Section 27 of the Leasehold Reform, Housing and Urban Development Act 1993**

Tribunal members : **Judge Shepherd
Kevin Ridgeway MRICS**

Date of determination and venue : **at
10 Alfred Place, London WC1E 7LR on
the papers**

Date of decision : **12th January 2022**

DECISION

Summary of the tribunal's decision

The appropriate premium payable for the collective enfranchisement is **£30200**. The transfer deed is approved.

Background

1. This is an application made by the applicant leaseholders pursuant to section 27 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for the collective enfranchisement of 18 Norfolk Road, SW192HE (the “premises”).
2. On 23rd November 2021 Tribunal Judge Martynski sitting as a judge of the County Court made an order pursuant to s.26 and 27 of the Act to the effect that the Applicants were entitled to the collective enfranchisement of the premises. The freeholder landlord is missing. The case was transferred to the Tribunal to determine the appropriate sum to be paid by the Applicants and to approve the transfer deed.

The premises

3. The premises consist of two flats, 18 and 18A. The flats are approached across a common hallway and up a common stairway. The flats are small one bedroom units on the first floor of the building.
4. The Tribunal did not inspect the property but assistance was provided by plans and photographs attached to the report of the valuer acting on behalf of the Applicants, Jonathan Dean MRICS. The Tribunal are familiar with the location which is on the West side of Norfolk Road close to transport facilities.

The tribunal’s determination

5. The tribunal determines that the value of the collective enfranchisement at the date of the application was £30200.

Reasons for the tribunal's determination

6. The right to collective enfranchisement is conferred by Ch 1 of Pt 1 of the 1993 Act. By exercising the right the tenants acquire the freehold of the premises in question. The tenants pays a premium which compensates the landlord for the loss of the freehold. In the present case the landlord is missing and the procedure pursuant to ss 26 and 27 of the Act has been followed.

7. The price for the collective enfranchisement is calculated in accordance with Sch 6, of the Act and is the aggregate of the following figures :
 - (a) The value of the freeholder's interest in the premises ;
 - (b) The freeholder's share of the marriage value;
 - (c) Any amount of compensation payable.

8. Whilst the Tribunal noted the comments made in Mr Dean's valuation report, it was not convinced by his remarks. Accordingly, it has chosen to follow the Upper Tribunal precedent in the Zuucconi case and applied a relativity of 81.25%.

The premium

9. The tribunal determines the appropriate premium to be **£30200** A copy of its valuation calculation is annexed to this decision.

10. The Tribunal approves the transfer deed.

Name: Judge Shepherd

Date: 12th January 2022

Appendix: Valuation setting out the tribunal's calculations

Valuation for Freehold Purchase

18 Norfolk Road, London, SW19 2HE

Valuation Date	18/02/2020			
Lease	25/12/1985			
Commencement				
Lease Term	99.00	years	Expiry Date	24/12/2084
Unexpired Term	64.85	years		
Long Lease value	£255,000			
Freehold VP value	£257,550	+1% long lease value		
	Term 1	Term 2	Term 3	
Ground rent	£50.00	£100.00	£200.00	
Reversion years	2.83	33.00	34.00	
Capitalisation rate	7%			
Deferment rate	5%			
Compensation	£100.00			
Relativity	81.52%			

No. 18

Diminution of Landlord's interest

Ground rent				£50	
YP	2.83	yrs @	7.00%	2.489412649	
					£124
Rent Review 1				£100	
YP	33.00	yrs @	7.00%	12.75379002	
PV of £1	2.83	yrs @	7.00%	0.825741115	
					£1,053
Rent Review2				£200	
YP	34.00	yrs @	7.00%	12.85400936	
PV of £1	35.83	yrs @	7.00%	0.0885481	
					£228
Reversion to VP value				£257,550	
PV	64.85	yrs @	5.00%	0.04225460	
					<u>£10,883</u>
Value existing freehold					£12,288

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Landlord's share of Marriage Value

Val. Tenant's new interest				£257,550	
Less					
Val. tenant's interest existing lease	Relativity	81.52%	£209,955		
Val. l/lord's interest existing lease			£12,288		
				£222,243	
				£35,307	
Marriage Value @ 50% Compensation					£17,654
					£100
					£30,042

No.18a

Diminution of Freeholder's interest

Reversion				£272,000	
PV	153.85	Yrs @	5.00%	0.00055	
					£150
Premium					£30,192
					Say £30,200

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)..