



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

Case reference : **LON/00AY/OCE/2023/0022**

Property : **13 Brading Road, London SW2 2AP**

Applicants : **Rocky Mancini (1)
Matthew Thomas Broomfield (2)**

Representative : **Housing and Property Law Partnership
London WC1**

Respondent : **Soner Kemal Hassan (1)
Olugbemiga Botu (2)
(Missing Landlord)**

Type of application : **Section 26 and 27 of the Leasehold
Reform, Housing and Urban
Development Act 1993 (as amended)
("the Act") for a determination of the
valuation of the freehold**

Tribunal member : **Mr Charles Norman FRICS (Valuer
Chairman)**

Date of decision : **30 March 2023**

Determination based on Written Representations

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the price for the freehold of the property known as 13 Brading Road, London SW2 2AP pursuant to Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the 1993 Act”), is £26,939. This is before adjustment for court costs (see below).
- (2) The Tribunal approves the draft transfer at pages 221 and 222 of the hearing bundle.

Reasons

Introduction

1. This matter relates to an application made under sections 26 and 27 of the Leasehold Reform, Housing and Urban Development Act (as amended) (“the Act”) for a determination of the price payable for the freehold of the property known as 13 Brading Road London SW2 2AP (“the property”).
2. By proceedings brought under CPR Part 8 and issued on 6 May 2022 (“the valuation date”), the Applicants applied for a vesting order. By an Order made by District Judge Swan sitting in the County Court at Clerkenwell & Shoreditch dated 16 January 2023, the matter was transferred to the Tribunal (i) for the valuation of the freehold and (ii) approval of the conveyance.
3. The Tribunal issued directions on 3 February 2023 requiring a bundle to be provided by 17 March 2023, which direction was complied with. The Applicants were given an opportunity to request a remote video hearing, but have not done so and the matter has therefore come before me for determination based on written representations, in accordance with rule 31 of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 (“the rules”). I did not consider that an inspection was necessary or proportionate in this case.

Expert Evidence

4. An experts’ valuation report dated 6 March 2023 was provided by Mr Ghulam Yasin BSc MRICS, RICS registered valuer, of myleasehold Chartered Valuation Surveyors. Mr Yasin qualified in 2008 and since 2011 has worked at myleasehold dealing almost exclusively with leasehold reform valuations, including properties in Lambeth. His report contains the declarations required from expert witnesses by the RICS. His report does not contain the specific wording required by rule 19(5)(b) of the Tribunal Rules but the declarations given are substantially to the same effect. I am satisfied that Mr Yasin is suitably qualified to give expert evidence and understands his duties to the Tribunal.

5. The substantive valuation sections of the report may be summarised as follows. Mr Yasmin inspected the property on 21 February 2020. The property comprises a late Victorian mid-terraced house, converted into two flats. [It is clear from photographs that the property is of brick under pitched tiled roofs].
6. The “ground floor flat” is set over ground, part first floor and basement. It comprises two bedrooms (one ensuite), bathroom, kitchen, living room and understairs cupboard. [It is clear from plans that a family bathroom is also present on the ground floor.] The leaseholder has exclusive use of the rear garden. The Gross Internal floor area is 77.62 sq. m (836 sq. ft) of which 115 sq. ft is basement. The present owner paid £536,000 for the lease in 2017.
6. The “first floor flat” comprises two bedrooms (one ensuite) with a separate bathroom/WC, kitchen and living room. This flat is partially on the first floor and partially within the second-floor roof space which is mansarded. The floor area is 85.30 sq. m² (918 sq. ft).
7. The lease for the ground floor flat is dated 9 November 2007 for a term of 99 years from 11 March 2005. The initial ground rent is £150 p.a. rising to £300 after 33 years and £600 after 66 years. By a deed of variation dated 4 November 2002 the basement was included to the demise.
8. The lease for the first floor flat is dated 11 March 2005 for a term of 99 years. The ground rent replicates that for the ground floor flat. The demise includes the roof space.
8. Mr Yasmin adopted 6.5% for the capitalisation rate. He adopted 5% for the deferment rate relying on *Sportelli*. He treated extended lease values as being worth 99% of freehold value. He identified no improvements to be disregarded.
9. As to extended lease value Mr Yasmin referred to comparables, details of which were provided.
10. The first floor flat 121 Helix Road SW2 was a two-bedroom conversion of 582 sq. ft. This sold with a 989-year lease in July 2022 for £485,000 or 833 per sq. ft. Mr Yasmin analysed this as equating to £470,000 or £808 per sq. ft, for time and lease length adjustment, though the basis of this was not provided.
11. The first floor flat 42 Elm Park SW2 was a two-bedroom period conversion of 704 sq. ft. This sold in September 2022 for £520,000 or £739 per sq. ft. Following adjustment Mr Yasmin analysed this as £723 per sq. ft.
12. The ground floor flat 361 Lyham Rd SW2 was sold with a lease of circa 91 years and for that reason I do not find it of assistance.

13. The Ground floor flat at 16 Felsberg Road SW2 is a two bedroom ground floor flat in a period conversion. It is 885 sq. ft and was sold in October 2022 for £530,000 or £599 per sq. ft. My Yasin analysed this as £589 per sq. ft.
14. Mr Yasmin concluded that the rate ranged from £808 to £589 depending on flat size. He applied an overall rate of £622 to the ground floor flat giving £520,000. He applied £545 to the first floor flat giving £500,000. This reflected the mansarding. His premium calculation was £25,450.

Findings

15. I agree with the capitalisation and deferment rates. I agree with the 1% virtual freehold/ extended lease adjustment. However, this is a theoretical concept as flats are not sold on a freehold basis. I agree that there is no development value.
16. As to the ground floor I am troubled that the price paid in 2017 was significantly more than the 2022 valuation. I prefer to rely on 42 Elm Park which is close in size. Based on the £723 per sq. ft analysed by Mr Yasmin and excluding the basement gives £541,530. To this I add the value of the garden at £10,000. I apply no separate value to the basement. After rounding I arrive at £550,000, as the extended lease value.
17. In relation to the first floor flat, this is significantly larger. Adopting the £589 per sq. ft from Felsberg Road gives £540,000, which I adopt as the extended lease value. In view of the large rate differential compared to the ground floor flat make no further adjustments for the lack of garden or mansarding.
18. I arrive at a premium of £26,939. My calculation is attached in the Appendix.
19. I do not accept the claimants' submission on page 223 of the bundle that the Tribunal should deduct the court costs from its findings. I do not read the court order in that way. The Court has already ordered that £6,167.75 in respect of claimant costs should be deducted from the sum to be paid into court.
20. I approve the form of draft transfer as set out at pages 221 and 222 of the Tribunal hearing bundle.

Name: Mr Charles Norman FRICS **Date:** 30 March 2023

APPENDIX							
IN THE MATTER OF THE COLLECTIVE ENFRANCHISEMENT OF GROUND AND FIRST FLOOR FLATS 13 BRADING ROAD SW2 2AP							
VALUATION BY THE FIRST-TIER TRIBUNAL (PROPERTY CHAMBER)							
Date of Valuation							06/05/2022
Lease expiry date (both flats)							10/03/2104
Unexpired Term of both flats/ years							81.84
Unimproved extended value of both flats							£ 1,090,000
Virtual Freehold Values of Flats							£ 1,101,010
Ground rent capitalisation rate							6.50%
Reversionary deferment Rate							5.00%
Premium Payable							£ 26,939
Value of Freeholder's Present Interest							
Term 1							
Ground rents both flats					£ 300.00	per annum	
15.84Years' Purchase	@	6.50%	9.712				£ 2,914
Term 2							
Ground rents both flats					£ 600.00	per annum	
33 Years' Purchase	@	6.50%	13.459				
PV £1	15.85 years	@	6.50%	0.369			
				4.966371			£ 2,980
Term 3							
Ground rents both					£ 1,200.00	per annum	

flats						
33 Years' Purchase		@	6.50%	13.459		
PV £1	48.84 years	@	6.50%	0.046		
				0.619114		£ 742.94
Reversion						
Virtual freehold both flats					£1,101,010	
Present value 81.84 years @ 5%				0.01844		£ 20,302.63
Marriage value						£ -
Valuation						£ 26,939

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.

- If a party wishes to appeal against 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.