



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

**Case reference** : **LON/00BB/OCE/2021/0210**

**Property** : **80 & 80a Caledon Road, London E6 2HB**

**Applicants** : **Pardip Kaur Arri & Yuliya Ivey**

**Representative** : **Hutchins & Co Solicitors**

**Respondent** : **Peter Edwards Bowles**

**Representative** : **N/A**

**Type of application** : **Missing Landlord – Leasehold Reform, Housing and Urban Development Act 1993**

**Tribunal member(s)** : **Judge Tagliavini  
Ms M Krisko FRICS**

**Date and venue of hearing** : **25 April 2023 – 10 Alfred Place, London EC4Y 7DR**

**Date of decision** : **25 April 2023**

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**DECISION**

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## **The tribunal's summary decision**

- (1.) The tribunal determines the premium payable by the applicants to the respondent is £66,390 in respect of the freehold of the subject property.
  - (2.) The tribunal approved the form of the transfer in the form of the TR1 provided by the applicants (claimants).
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1. By an Order dated 22 September 2021 made by DJ Wilkinson sitting in the county court at Central London in Claim No. F02C707, a vesting order of the respondent's (defendant) freehold interest was made in favour of the applicants (claimants) in respect of the property situate at 80 and 80a Caledon Road, London E6 2HB ('the Property') registered under title number EX33835. The matter was transferred to this tribunal for a determination of the terms, price and from of the purchase of the respondent's (defendant's) interest.
2. In support of the applicants' case as to the premium payable, the tribunal was provided with a bundle of 72 pages. This included a draft TR1 and the revised valuation report of Alastair Geoffrey Donne Mason FRICS dated 2 August 2022 and revised 6 December 2022.
3. The subject property comprises two one-bedroom flats in a converted Victorian house in a residential area of East London. Both flats are held on the same lease terms for a period of 99 years with effect from 1 January 1980. Ground rents are payable at the rate of £30 p.a. for the first 33 years of the term rising to £60 p.a. for the following 33 years and £90 p.a. for the remainder of the term. The lessees are required to carry out all repairs. The valuation date is 21 August 2019 being the date of the claim made in the county court.
4. In his report, Mr Mason concluded the premium payable for the freehold interest is £68,350.00 having relied on a capitalisation rate of 7% and a deferment rate of 5%, both being the generally adopted rates. In reaching an unimproved freehold value, Mr Mason considered three sales of similar flats in Caledon Road in 2018/2019 which sold at prices between £222,000 to £260,000 producing an average figure of £245,000 which he applied to the subject flats.
5. Mr Mason stated he had been unable to find sales of comparable properties where the remaining lease length was 59 years. However, he applied a relativity of 77.8% having indicated he relied upon the approach taken in *Deritend Investments (Birkdale) Ltd v Treskonova* [2020] UKUT 164 (LC). Consequently, Mr Mason arrived at a figure of £68,350.00 as being the premium payable.

## **The tribunal's decision and reasons**

6. The tribunal accepted Mr Mason's valuation and explanations except for his calculation of the existing lease value based on the relativity i.e., the existing lease value to the freehold. Taking the Mr Mason's unimproved freehold value of £245,000 per flat, the tribunal calculated that by adopting a relativity of 77.8% this produced a figure for the existing value of £190,610 per flat. Consequently, that altered the marriage value as this is calculated by taking the value of both of the extended leases of £485,100. From this was deducted the value of both existing leases (£381,220), and less the landlords' interest of £28,900. The resulting £74,980 needs then to be divided by two, (£37,490) which when added to the landlord's interest of £28,900 provides a total premium for both flats of £66,390.
7. Therefore, the tribunal determines the premium payable by the applicants to the respondent is **£66,390** in respect of the freehold interest of the subject property.
8. The tribunal approves the terms of the transfer in the form of the TR1 that has been provided by the applicants (claimants) to the tribunal.

Name: Judge Tagliavini

Date: 25 April 2023

### **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).