



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

Case reference : **NAT/LON/00AY/OLR/2023/0202**

Property : **31b Valleyfield Road, Streatham,
London SW16 2HS**

Applicant : **Fratro Limited**

Representative : **Gaby Hardwicke Solicitors**

Respondent : **Ms Gabrielle Wright**

Representative : **Not applicable (missing landlord)**

Type of application : **Application under sections 50 and 51 of
the Leasehold Reform Housing and
Urban Development Act 1993**

Tribunal member : **Ian B Holdsworth FRICS MCI Arb
RICS Registered Valuer
John Naylor FRICS**

Venue : **10 Alfred Place, London WC1E 7LR**

**Date of paper
determination** : **7 November 2023**

DECISION

Decisions of the Tribunal

- (1) The tribunal determines that the price to be paid by the applicant for the new lease on statutory terms is **£34,950**.

The Background

1. This is an application under section 50 and 50(1) of the Leasehold Reform Housing and Urban Development Act 1993 (“**the 1993 Act**”) pursuant to an order made by District Judge Keating sitting at the County Court at Croydon on 8th February 2023 (“**the order**”).
2. Sections 50 and 50(1) of the 1993 Act concerns claims for a statutory lease extension where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 51 of the 1993 Act, the role of the tribunal is to determine the appropriate sum to be paid into court in respect of the landlord’s interests.
4. The applicant in this matter is Frattro Limited. They are the qualifying tenants of 31b Valleyfield Road, Streatham, London SW16 2HS (“**the Property**”). The respondent freehold owner is Ms Gabrielle Wright.
5. On 23 December 2022 the applicant issued a Part 8 Claim at the County Court at Croydon for an order pursuant to Section 50 of the 1993 Act so that the applicant could exercise the right to acquire a new lease for the property. The applicant has been unable to ascertain the whereabouts of the respondent.
6. The applicant subsequently applied for a vesting order under section 50(1) of the 1993 Act. The order dispensed with the statutory requirement to serve a section 42 notice on the Defendant pursuant to section 50(2) of the Act. The vesting order was granted subject to the determination of this tribunal.
7. The applicant has provided the tribunal with a valuation report prepared by Ms Gemma Quinn BSc BA MRICS RICS Registered Valuer dated 7th August 2023.
8. Ms Quinn is of the view that the premium to be paid for the new leasehold interest is £30,400 as at the valuation date adopted in his valuation of 23 December 2023.

The Determination

9. The Tribunal accepts the opinions expressed by Ms Quinn in her valuation report dated with 7th August 2023 save that:
- (i) The tribunal has reviewed the comparable transaction evidence submitted to support the opinion that the long leasehold value of the property is £232,000. They have scrutinised the evidence offered in the Expert Valuation report and based upon their knowledge and experience made further adjustments to the basket of the supporting comparable transaction evidence.
 - (ii) The tribunal note the transaction evidence submitted by the Expert produces unadjusted property values of between £241 per ft² and £586 per ft². This is a wide dispersion of value and to overcome this difficulty the tribunal has discarded the outlier transaction evidence. Four properties are selected to create a smaller basket of comparable properties more closely aligned in value. These are also preferred due to their location, sale status and similarity to the subject property. The addresses of the selected properties is shown in table 1.
 - (iii) The tribunal apply revised adjustments to the sale prices of the dwellings included within the valuation bundle. These reflect the comments presented in *Schedule of Comparable Evidence Appendix E* of the Expert Report at page 91 of the bundle. The tribunal analysis of the reduced comparable evidence is also shown below at table 1.
 - (iv) The revised analysis produces an average value per ft² of £501ft² and a long leasehold value of £260,000. This value is adopted in the revised premium calculation.

Table 1: Tribunal Comparable transaction analysis			
Comparable evidence submitted by Expert:	Unadjusted Sale price per ft2	Tribunal Adjustment	Rate per ft2
		%	
17 Valleyfield Road SW16 2HS	£586	-15	£498
36 Beechcroft Close SW16 2EW	£576	-15	£489
40 Beechcroft Close SW16 2EW	£484	-5	£460
48 Beechcroft Close SW102EW	£571	-2.5	£556
Average			£501
	GIA property		520.00 ft2
	Nominal long leasehold value		£260,390
	Say		£260,000

10. The adjusted calculation has resulted in a premium of **£34,950**. A copy of the Tribunal's valuation is attached to this decision.
11. Accordingly, the premium payable is **£34,950** less the summarily assessed costs of **£4,692.14** confirmed by Order dated 27 June 2023 shown at pages 140-141 of the bundle.
12. This matter should now be returned to the County Court sitting at Croydon under Claim Number Ko1CR106 in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

7 November 2023

Property: 31B Valleyfield Road SW16				
Tribunal Reference: NAT/LON/00AY/OLR/2023/0202				
Lease and Valuation Data				
Lease Term:		29/09/1984		
Lease Expiry date:		28/09/2083		
Unexpired term as at valuation date:		60.76	years	
Date of Valuation		23/12/2022		
Rent receivable by landlord:				
Payable from valuation date for 27.76 years	£	100		
Payable for term 2 for 33 years	£	150		
Values				
Reversionary lease value on statutory terms	£	260,000		
Notional Freehold	£	262,600		
LHVP without Act rights	£	204,854	Relativity	78.79%
Capitalisation rate (%)		7.00		
Deferment rate (%)		5.00		
Value of Freeholders present interest				
Term 1				
Ground rent payable	£	100		
YP @ 27.76 years @ 7%		12.10194	£	1,210
Term 2				
Ground rent payable	£	150		
YP @ 33 years @ 7%		12.75379		
Deferred for 27.76 years @ 7%		0.15286	£	292
Reversion				
Freehold in vacant possession	£	260,000		
Deferred @ 60.76 years @ 5%		0.05159	£	13,413
	Total			£ 14,915
Less				
Freehold value after leasehold extension	£	260,000		
PV of £1 in 150.8 years at 5%		0.00064	£	166
Freeholders interest value				£ 14,749
Calculation of Marriage Value				
Value of flat with long lease on statutory terms	£	260,000		
Landlords proposed interest	£	166	£	260,166
Less				
Value of Leaseholders existing interest (without Act rights)	£	204,854		
Value of Freeholders current interest	£	14,915	£	219,769
Marriage value	Total			£ 40,397
Division of Marriage Value equally between				
Freeholder			£	20,198
Leaseholder			£	20,198
Price payable to Freeholder				
Value of freeholders current interest			£	14,749
Plus share of marriage value			£	20,198
			Total	£ 34,948
			Say	£ 34,950

