



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

Case reference	:	LON/00AP/OCE/2022/0154
Property	:	81 Black Boy Lane N15 3AP (Renamed La Rose Lane 16 March 2023)
Applicant	:	ESEYAS YEMANE YHDEGO & SLAWOMIR MASLOWSKI
Representative	:	Wainwright & Cummins
Respondent	:	MATTHEW WALSH & TONY OULDS
Representative	:	None
Type of application	:	Section 26 & 27 of the Leasehold Reform, Housing and Urban Development Act 1993 (Missing Landlord)
Tribunal members	:	Mr Anthony Harris LLM FRICS FCI Arb (Valuer Chair)
Date of determination and venue	:	22 November 2023 at 10 Alfred Place, London WC1E 7LR
Date of decision	:	22 November 2023

DECISION

Summary of the tribunal's decision

- (1) The appropriate premium payable for the collective enfranchisement is **£85,826. (eighty five thousand eight hundred and twenty six)**

Background

1. This is an application made pursuant to sections 26 & 27 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for a determination of the premium to be paid under a vesting order due to a missing landlord of 81 Black Boy Lane N15 3AP (the “property”). Black Boy Lane was renamed La Rose Lane on 16 March 2023.
2. By an application to the court dated 1 October 2019 the applicants sought an order vesting the freehold interest in their joint names as the freeholders could not be traced.
3. By an order dated 8 September 2022 the Edmonton County Court made an order vesting the freehold interest in the Applicants subject to the terms and price to be determined by the First Tier Tribunal.
4. The order was received by the tribunal on 18 November 2022 and directions were issued on 29 November 2022. A bundle has been submitted to the tribunal including a valuation report and draft TR1.

The issues

5. The tribunal has been provided with a valuation report prepared by Mr Amit Sharma MSc BSc MRICS:
 - (a) The subject property is a two-storey mid-terrace property split into 2 self-contained flats each of which has been sold on a lease. There is a single front door and both flats have access to the rear garden with the 1st floor flat having access via an internal staircase. Both flats are conventionally laid out with reception rooms facing the street and bedrooms to the rear. Both have kitchen and bath or shower rooms to the rear portion. The ground floor flat has one bedroom and the 1st floor flat 2 bedrooms. Both flats have the benefit of main services and each has independent gas-fired central heating.
 - (b) The valuation date: 1 October 2019
 - (c) Details of the tenants’ leasehold interests:
 - (i) Dates of leases: each lease is dated 20 December 1983
 - (ii) Terms of leases: 99 years from 29 September 1983
 - (iii) Ground rents: £30 per annum for each flat throughout the term;
 - (iv) Unexpired terms at valuation dates: 62.99years;
 - (d) Mr Sharma has used a Capitalisation rate of 6%; and a Deferment rate of 5%.

Matters to be determined

6. The following matters are to be determined by the tribunal:
 - (a) Capitalisation rate;
 - (b) Relativity; and
 - (c) Development hope value; and
 - (d) The premium payable.

The hearing

7. The case was decided on the papers on 22 November 2023 hearing. The applicants were represented by Wainwright and Cummins solicitors. The respondents were untraced and the representations were received on their behalf.
8. Neither party asked the tribunal to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.
9. The applicant relied upon the expert report and valuation of Mr Amit Sharma dated 31 August 2023. No valuation was submitted on behalf of the respondent.

Deferment and capitalisation rates

10. The tribunal agrees that a capitalisation rate of 6% and a deferment rate of 5% are appropriate.

Relativity

11. Mr Sharma has used a relativity of 82% based on the Savills 2015 Unenfranchisable graph as used by the tribunal in case reference KA/LON/OOB/ORL/2020/2015 although the Upper Tribunal has been using the 2015 Enfranchisable graph.
12. In this case the tribunal prefers to use the Zucconi rate of 80.32% based on a blending of the Savills and Gerald Eve unenfranchisable graphs.
13. Marriage value is to be divided evenly as the leases have less than 80 years unexpired.

Freehold value

14. Mr Sharma has provided details of a number of comparable flats.
15. 56 Abbotsford Avenue N15 is a two-bedroom ground floor garden flat sold for £374,000 in October 2019. As the flat is larger in size and benefits from an additional bedroom Mr Sharma submits that the subject property will achieve a slightly lower market value.
16. 4 Etherley Road N 5 is a one-bedroom ground floor garden flat sold for £300,000 in June 2018. Mr Sharma describes the flat as smaller than the subject property and in an inferior location, supporting a higher value for the subject properties.
17. 56 Albany Close N15 is a two-bedroom split level flat across ground and 1st floors sold for £350,000 in June 2019. There is no private outside space although the property is close to Chestnuts Park. This support a higher value for the subject flats.
18. 56 Penrith Road N15 is a two-bedroom split level flat over 1st and 2nd floors sold for £336,000 in July 2018..
19. Based on this evidence Mr Sharma places a value on the ground floor flat of £350,000 and for the 1st floor flat £375,000 totalling £725,000. Each flat is assumed to be on a long leasehold basis i.e. for a term of more than 100 years.

The tribunal's determination

20. The tribunal has considered the evidence submitted and also used its own expert knowledge. The tribunal agrees that the values placed on the flats by Mr Sharma are appropriate. The total long leasehold figure of £725,000 represents 99% of the freehold value which comes to £732,323 based on the market convention.

Hope value

21. The tribunal considers that the property is fully developed and there is no hope value to be added in this case.

Valuation

22. The tribunal assesses the premium to be paid at £85,826 as set out in the attached valuation.

Transfer

23. The draft form of transfer is approved

Name: Mr A Harris

Date: 22 November 2023

Appendix: Valuation setting out the tribunal's calculations

Address	81 Black Boy Lane N15 (La Rose Lane from 16/3/23)						
Client	FTT						
Sub-Address	Ground and First floor						
Basic Information							
Valuation Date	01 October 2019						
Existing lease Expiry Date	28 September 2082						
Years unexpired	62.99						
Existing Ground Rent ³	£60						
Basis of review							
Capitalisation Rate	6.00%						
Deferment Rate	5.00%						
total Long Lease Figure	£725,000						
F/H to Long lease change	99%						
Freehold figure	£732,323						
Real World Short Lease Value							
No Act Discount							
Relativity Rate	80.32%						
Current Lease Value	£588,202						
EXISTING FREEHOLD TERM VALUE							
TERM VALUE							
	Rent	Years	Yield	Cap Rate	P/V	Multiplier	Term Value
Term 1	£60	62.99	6.00%	16.2423	1	16.2423	£975
							£975
REVERSION VALUE							
			Capital Value	Years to Reversion	Deferment Rate	P/V	Reversion Value
			£732,323	62.99	5.00%	0.0463	£33,879
TOTAL EXISTING FREEHOLD VALUE							£34,854
MARRIAGE VALUE CALCULATION							
Value of Freeholders Current Interest						£34,854	
Value of Leaseholders Current Interest						<u>£588,202</u>	£623,056
Value of Leaseholders New Interest							£725,000
					Difference		£101,944
					50% of Difference		£50,972
					Leaseholder Payment		£85,826

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).

CASE REFERENCE LON/00AC/OLR/2014/0106

**First-tier Tribunal
Property Chamber (Residential Property)**

**Valuation under Schedule 6 of the Leasehold Reform Housing and
Urban Development Act 1993**

Premium payable for the freehold interest in [Property]

Valuation date: [Date]