



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

Case Reference : **MAN/00BY/0AF/2023/0007**

Property : **132/134, London Road, Liverpool L3
5NL**

Applicant : **Mr Amir Nanvazadeh**

Representative : **Orme Associates**

Respondent : **Liverpool City Council**

Type of Application : **Section 21(1)(a) Leasehold Reform
Act 1967**

Tribunal Members : **Tribunal Judge C Wood
Tribunal Member A Hossain**

Date of Decision : **5 February 2024**

DECISION

ORDER

1. The Tribunal orders that pursuant to section 9(1) of the Leasehold Reform Act 1967 the purchase price payable on enfranchisement of the Property is £175,800.

BACKGROUND

2. Pursuant to an application dated 30 March 2023, (“the Application”), the Applicant sought a determination of the price payable on enfranchisement of the property in accordance with section 9(1) of the Leasehold Reform Act 1967, (“the 1967 Act”).
3. Directions dated 13 June 2023 were issued which provided for the submission of written representations, including expert evidence, by the parties and that the Application would be determined following a hearing and inspection of the Property.
4. The Applicant’s submissions were contained in a report by Orme Associates dated 20 July 2023, (“the Valuation Report”).
5. No submissions were received from the Respondent and by an order dated 15 August 2023 the Respondent was barred from further participation in the proceedings by reason of their failure to comply with the Directions.
6. The hearing of the Application was scheduled to take place on Tuesday 28 November 2023 at 11:15 following an inspection of the Property at 10:00 on the same date.

LAW

7. The statutory process for valuation of the freehold interest is set out in Section 9(1) of the 1967 Act.

INSPECTION

8. The Tribunal inspected the Property at or about 10:00 on Tuesday 28 November 2023. The Applicant, Mr Amir Nanvazadeh, and his son, Mr Allan Nanvazadeh, attended the inspection.

9. Following the inspection, the Tribunal is able to confirm the accuracy of the detailed description of the Property set out in the Valuation Report. The Tribunal does not consider it necessary to re-state that description in this Decision.

HEARING

10. The Applicant, Mr Amir Nanvazadeh, and his son, Mr Allan Nanvazadeh, attended the hearing.
11. Mr Orme, the Applicant's representative, was unable to attend the hearing.
12. The Tribunal considered that it was unfortunate that Mr Orme was not available at the hearing to answer its questions on the Valuation Report.
13. The Tribunal's questions in relation to the Valuation Report were as follows:
 - 13.1 the rationale for the 10% deduction for the "tenant's rights of tenure":
 - (1) the Applicant was unable to confirm that this is a reference to the tenancy in respect of the newsagents' shop at 134, London Road but confirmed that there are no other tenants in occupation;
 - 13.2 the rationale for the 2 valuation approaches in respect of the upper floors as (i) storage facilities; and (ii) "hope" value as conversion to 6 flats:
 - (1) the Applicant was unable to provide any explanation for adopting these 2 valuation approaches;
 - 13.3 verification of the deduction for the Applicant's improvements to the Property:
 - (1) the Applicant was able to confirm that he had paid for the fitting out of the upper floors as flats, built the rear extension to Marquis Street, and installed the kitchen and toilets on the ground floor.
14. The Applicant stated that he needs to own the freehold in order to develop and improve the Property but, if the valuation is too high, he will be unable to proceed with the purchase.

TRIBUNAL'S REASONS

15. The Tribunal is satisfied that, subject as set out below, the valuation of the freehold interest as set out in the Valuation Report is reasonable having regard to its inspection of the Property, the law set out in section 9(1) of the 1967 Act and accepted valuation practice. In particular, but without limitation, the Tribunal accepts the following valuations:
- 15.1 the unimproved freehold valuation of £285000; and,
- 15.2 the valuation of structural repairs as at £100000.
16. The Tribunal considers that the amount of £28500 included for “Tenant’s rights of tenure” is too high for the following reasons:
- 16.1 the Tribunal considers that it is reasonable to conclude that the tenant in question is the tenant of the newsagents shop at 134, London Road;
- 16.2 the Tribunal accepts the details of that tenancy as set out in the Valuation Report and, in particular but without limitation, that the tenancy commenced on 2 March 2022;
- 16.3 the Tribunal notes that, on opposing a lease extension on the ground of redevelopment pursuant to the Landlord and Tenant Act 1954, the Applicant would be liable to pay the tenant statutory compensation of 1x rateable value of the newsagents’ premises which, as at July 2023, is stated in the Valuation Report, to be £9200;
- 16.4 the Tribunal therefore determines that an appropriate deduction for the “Tenant’s rights of tenure” is £9200 and not £28500.
17. Having regard to the determination in paragraph 16.4 above, the Tribunal therefore determines that the purchase price payable is £175,800 calculated as follows:

Freehold valuation (unimproved) :	£285000
Less: structural repairs : £100000	
Tenant’s rights of tenure : <u>£ 9200</u>	
	<u>£109200</u>
Purchase price	<u>£175,800</u>