

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

**Case Reference** LON/00AP/OCE/2024/0003

**Property** 7 Albany Road, London N4 4RR :

**Paul Augustus Bruce, Rachel Applicants** Goodman, Susan Amanda

Strother.

**Hanne & Co Solicitors** Representative

Respondent **Deborah Ann Body** 

Representative **None** 

**Determination of premium to** 

acquire the freehold section 26,27 **Type of Application** of the Leasehold Reform, Housing

and Urban Development Act 1993

Mr D Jagger MRICS (Valuer **Tribunal Members** 

Chair)

**Date of Paper** 

27 February 2024 **Determination** 

**Date of Decision** 27 February 2024

#### **DECISION**

## **Decisions of the Tribunal**

- 1. The Tribunal determines that the appropriate sum to be paid into Court for the freehold interest in **7 Albury Road London N4 4RR** ('the premises), pursuant to section 26,27 of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act'), is a total of £204. (Two hundred and four pounds)
- 2. This has been a paper decision which has been consented to by the applicants. The documents that were referred to, are in a bundle prepared by the applicant running to 137 pages, plus the tribunals Directions the contents of which we have recorded. Therefore, the tribunal had before it an electronic/digital trial bundle of documents prepared by the applicants, in accordance with previous directions.
- 3. The tribunal did not inspect the property as it considered the documentation and information before it in the trial bundle enabled the tribunal to proceed with this determination.

## 4. <u>The application</u>

- 1. On 24th August 2022, Hanne & Co solicitors issued a Part 8 Claim in the County Court under claim number Jo1ED343 seeking a vesting order under section 26(1) of the Leasehold Reform, Housing and Urban Development Act 1993 ('the Act').
- 2. On 24th November 2023 Deputy District Judge Cohen sitting in the County Court of Edmonton made an order in the following terms:
  - 1. The freehold of the property, 7 Albury Road, London N4 4RR, to be vested in the claimants.
  - 2. The requirement of the claimants to provide a S13 Notice to the defendant is dispensed with.
  - 3. The proceedings shall be transferred to the First Tier Property Tribunal for the purposes of determining the said terms
  - 4. The defendant shall pay the claimants costs of this application summarily assessed in the sum of £6,982.40.
- 3. The applicants' representatives were unable to locate Deborah Ann Body.

- 4. The application was received by the Tribunal and directions were issued on 5th January 2023. These provided that case would proceed to a paper determination. None of the parties has objected to this or requested an oral hearing. The paper determination took place on 27th February 2024.
- 5. In accordance with the directions, the applicants' solicitors supplied the Tribunal with a document bundle that contained copies of relevant documents from the County Court proceedings, various title documents, the existing leases and a comprehensive Expert Witness valuation report of Mr T. A. Olden MRICS dated 7th February 2024.
- 6. The relevant legal provisions are set out in the appendix to this decision.

## The background

- 7. The freehold interest in the property is registered in names of the three applicants together with the that of the defendant by virtue of HM Land Registry Title Number MX334033.
- 8. The property is divided into 4 self-contained flats, namely 7A, 7B, 7C and 7D. Each party holds a long lease for a term of 999 years registered at HM Land Registry.
- 9. The property is substantial semi detached four storey Victorian property located in an established residential area converted to form three two bedrooms and one, one bedroom flat approached via a communal hallway. The lower ground floor flat and the upper ground floor flat have private rear gardens. There are communal areas and staircase with provided access to the flats.

## The issues

- 10. The Tribunal is required to determine the premium to be paid for the freehold interest of the 1993 Act and the appropriate sum to be paid into Court pursuant to section 27(1)-(7) of the Act.
- 11. The Tribunal did not consider that an inspection of the property was necessary under current circumstances, nor would it have been proportionate to the issues in dispute.
- 12. Having studied the various documents in the applicant's bundle, the Tribunal has made the determination set out below.

#### The sum to be paid into court

- 13. We determine that the premium payable under the 1993 Act is a total of **£204.00** (two hundred and four pounds) and this is the appropriate sum to be paid into Court under section 27(1). Our reasons are set out as follows.
- 14. In his report, Mr Olden used a deferment rate of 5% for each. Mr Olden correctly used 24<sup>th</sup> August 2022 as the valuation date, being the date of the County Court claim, being the relevant date.
- 15. At that date, the leases had an unexpired.term of 989.33 years The Tribunal agrees, in view of the fact, that the lease has an unexpired term greater than 80 years no marriage value is deemed to exist.
- 16. Having carefully scrutinised the valuation, including the comparable evidence, the Tribunal agrees the deferment rate together with methodology to calculate relativity and the freehold value.
- 17. The Tribunal examined the 3 comparables provided in the report, each of which were conversion of Victorian properties to form two bedroom flats located within a reasonable radius of the subject. It would good practice on behalf of the Valuer to provide the precise unexpired term of the leases for each comparable and to prepare a schedule which makes valuation adjustments in order to provide a precise methodology. Such adjustments would take into account location, internal specification, onsite parking, private garden and indexation for time lapse in comparison with the valuation date. No such schedule was provided by Mr Olden, however, despite these minor misgivings, based upon the comparable evidence the Tribunal agrees with the four long lease valuations. (Plus 1% to calculate equivalent freehold value.) As will be seen by the valuation, this exercise was purely academic.
- 18. There was no evidence of any ground rent or service charge arrears for the Flats. In the absence of such evidence, the Tribunal determines that no additional sums are payable under the 1993 Act. It follows that the appropriate sum to be paid into Court is £204.00 and the Tribunal agrees with the valuation prepared by Mr Bates which formed Annex 5 of his report.

Name: Mr D Jagger MRICS Date: 27 February 2024

## **RIGHTS OF APPEAL**

- 1. 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.
- 2. 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.
- 3. 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.
- 4. 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.

# **Appendix of relevant legislation**

# <u>Leasehold Reform, Housing and Urban Development Act 1993</u> (as amended)

#### **Section 26,27.**

#### Applications where relevant landlord cannot be found.

(1)

Where not less than two-thirds of the qualifying tenants of flats contained in any premises to which this Chapter applies desire to make a claim to exercise the right to collective enfranchisement in relation to those premises but—

(a)

(in a case to which section 9(1) applies) the person who owns the freehold of the premises cannot be found or his identity cannot be ascertained, or

(b)

(in a case to which section 9(2) applies) each of the relevant landlords is someone who cannot be found or whose identity cannot be ascertained,

the court may, on the application of the qualifying tenants in question, make a vesting order under this subsection—

(i)

with respect to any interests of that person (whether in those premises or in any other property) which are liable to acquisition on behalf of those tenants by virtue of section 1(1) or (2)(a) or section 2(1), or

(ii)

with respect to any interests of those landlords which are so liable to acquisition by virtue of any of those provisions,

as the case may be.

(2)

Where in a case to which section 9(2) applies—

(a)

not less than two-thirds of the qualifying tenants of flats contained in any premises to which this Chapter applies desire to make a claim to exercise the right to collective enfranchisement in relation to those premises, and

(b)

paragraph (b) of subsection (1) does not apply, but

(c)

a notice of that claim or (as the case may be) a copy of such a notice cannot be given in accordance with section 13 or Part II of Schedule 3 to any person to whom it would otherwise be required to be so given because he cannot be found or his identity cannot be ascertained, the court may, on the application of the qualifying tenants in question, make an order dispensing with the need to give such a notice or (as the case may be) a copy of such a notice to that person.

(3)

If in a case to which section 9(2) applies, that person is the person who owns the freehold of the premises, then on the application of those tenants, the court may, in connection with an order under subsection (2), make an order appointing any other relevant landlord to be the reversioner in respect of the premises in place of that person; and if it does so references in this Chapter to the reversioner shall apply accordingly.

(3A)

Where in a case to which section 9(2A) applies—

(a)

not less than two-thirds of the qualifying tenants of flats contained in any premises to which this Chapter applies desire to make a claim to exercise the right to collective enfranchisement in relation to those premises, and

(b)

paragraph (b) of subsection (1) does not apply, but

(c)

a copy of a notice of that claim cannot be given in accordance with Part II of Schedule 3 to any person to whom it would otherwise be required to be so given because he cannot be found or his identity cannot be ascertained,

the court may, on the application of the qualifying tenants in question, make an order dispensing with the need to give a copy of such a notice to that person.

(4)

The court shall not make an order on any application under subsection (1) (2) or (3A) unless it is satisfied—

(a)

that on the date of the making of the application the premises to which the application relates were premises to which this Chapter applies; and

(b)

that on that date the applicants would not have been precluded by any provision of this Chapter from giving a valid notice under section 13 with respect to those premises.

(5)

Before making any such order the court may require the applicants to take such further steps by way of advertisement or otherwise as the court thinks proper for the purpose of tracing the person or persons in question; and if, after an application is made for a vesting order under subsection (1) and before any interest is vested in pursuance of the application, the person or (as the case may be) any of the persons referred to in paragraph (a) or (b) of that subsection is traced, then no further proceedings shall be taken with a view to any interest being so vested, but (subject to subsection (6))—

(a)

the rights and obligations of all parties shall be determined as if the applicants had, at the date of the application, duly given notice under section 13 of their claim to exercise the right to collective enfranchisement in relation to the premises to which the application relates; and

(b)

the court may give such directions as the court thinks fit as to the steps to be taken for giving effect to those rights and obligations, including directions modifying or dispensing with any of the requirements of this Chapter or of regulations made under this Part.

(6)

An application for a vesting order under subsection (1) may be withdrawn at any time before execution of a conveyance under section 27(3) and, after it is withdrawn, subsection (5)(a) above

shall not apply; but where any step is taken (whether by the applicants or otherwise) for the purpose of giving effect to subsection (5)(a) in the case of any application, the application shall not afterwards be withdrawn except—

(a)

with the consent of every person who is the owner of any interest the vesting of which is sought by the applicants, or

(b)

by leave of the court,

and the court shall not give leave unless it appears to the court just to do so by reason of matters coming to the knowledge of the applicants in consequence of the tracing of any such person.

(7)

Where an order has been made under subsection (2) or (3A dispensing with the need to give a notice under section 13, or a copy of such a notice, to a particular person with respect to any particular premises, then if—

(a)

a notice is subsequently given under that section with respect to those premises, and

(b)

in reliance on the order, the notice or a copy of the notice is not to be given to that person, the notice must contain a statement of the effect of the order.

(8)

Where a notice under section 13 contains such a statement in accordance with subsection (7) above, then in determining for the purposes of any provision of this Chapter whether the requirements of section 13 or Part II of Schedule 3 have been complied with in relation to the notice, those requirements shall be deemed to have been complied with so far as relating to the giving of the notice or a copy of it to the person referred to in subsection (7) above.

(9)

Rules of court shall make provision-

(a)

for requiring notice of any application under subsection (3) to be served by the persons making the application on any person who the applicants know or have reason to believe is a relevant landlord; and

(b)

for enabling persons served with any such notice to be joined as parties to the proceedings.

## Supplementary provisions relating to vesting orders under section 26(1).

(1)

A vesting order under section 26(1) is an order providing for the vesting of any such interests as are referred to in paragraph (i) or (ii) of that provision—

(a)

in such person or persons as may be appointed for the purpose by the applicants for the order, and

(b)

on such terms as may be determined by the appropriate tribunal to be appropriate with a view to the interests being vested in that person or those persons in like manner (so far as the circumstances permit) as if the applicants had, at the date of their application, given notice under section 13 of their claim to exercise the right to collective enfranchisement in relation to the premises with respect to which the order is made.

(2)

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If the appropriate tribunal so determines in the case of a vesting order under section 26(1), the order shall have effect in relation to interests which are less extensive than those specified in the application on which the order was made.

(3)

Where any interests are to be vested in any person or persons by virtue of a vesting order under section 26(1), then on his or their paying into court the appropriate sum in respect of each of those interests there shall be executed by such person as the court may designate a conveyance which—

(a)

is in a form approved by the appropriate tribunal and

(b)

contains such provisions as may be so approved for the purpose of giving effect so far as possible to the requirements of section 34 and Schedule 7;

and that conveyance shall be effective to vest in the person or persons to whom the conveyance is made the interests expressed to be conveyed, subject to and in accordance with the terms of the conveyance.

(4)

In connection with the determination by the appropriate tribunal of any question as to the interests to be conveyed by any such conveyance, or as to the rights with or subject to which they are to be conveyed, it shall be assumed (unless the contrary is shown) that any person whose interests are to be conveyed ("the transferor") has no interest in property other than those interests and, for the purpose of excepting them from the conveyance, any minerals underlying the property in question.

(5)

The appropriate sum which in accordance with subsection (3) is to be paid into court in respect of any interest is the aggregate of—

(a)

such amount as may be determined by the appropriate tribunal to be the price which would be payable in respect of that interest in accordance with Schedule 6 if the interest were being acquired in pursuance of such a notice as is mentioned in subsection (1)(b); and

(b)

any amounts or estimated amounts determined by such a tribunal as being, at the time of execution of the conveyance, due to the transferor from any tenants of his of premises comprised in the premises in which that interest subsists (whether due under or in respect of their leases or under or in respect of agreements collateral thereto).

(6)

Where any interest is vested in any person or persons in accordance with this section, the payment into court of the appropriate sum in respect of that interest shall be taken to have satisfied any claims against the applicants for the vesting order under section 26(1), their personal representatives or assigns in respect of the price payable under this Chapter for the acquisition of that interest.

(7)

Where any interest is so vested in any person or persons, section 32(5) shall apply in relation to his or their acquisition of that interest as it applies in relation to the acquisition of any interest by a nominee purchaser.