



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

Case reference : **DS/LON/00BH/OCE/2024/0047**

Property : **25 Hatherley Road,
Walthamstow,
London, E17 6SE**

Applicants : **Beverly Erica Jones(1)
Alexandra Lee (2)**

Representative : **Arcadia Law LLP Solicitors,
London SW19 (Ref RM/1381)**

Respondent : **Colin Singh (1)
Wendy Shanta Rogers (2)
(Missing Landlord)**

Type of application : **Section 26 and 27 of the Leasehold
Reform, Housing and Urban
Development Act 1993 (as amended)
("the Act") for a determination of the
valuation of the freehold**

Tribunal member : **Mr Charles Norman FRICS
Valuer Chairman**

Date of decision : **6 May 2024**

Determination based on Written Representations

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the price for the freehold of the property known as 25 Hatherley Road, Walthamstow, London, E17 6SE pursuant to Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the 1993 Act”), is **£14,219**. This is before adjustment for court costs (see below).
- (2) The Tribunal approves the draft transfer at pages 160-164 of the Tribunal hearing bundle, subject to the entries required in box 8 being inserted when available.
- (3) The Tribunal finds that no sums are due from the claimants to the defendants under section 27(5)(b) of the 1993 Act.

Reasons

Introduction

1. This matter relates to an application made under sections 26 and 27 of the Leasehold Reform, Housing and Urban Development Act (as amended) (“the Act”) for a determination of the price payable for the freehold of the property known as 25 Hatherley Road, Walthamstow, London, E17 6SE (“the property”).
2. By proceedings brought under CPR Part 8 and issued on 19 October 2023 (“the valuation date”), the Applicants applied for a vesting order. By an Order made by Deputy District Judge sitting in the County Court at Edmonton dated 23 February 2024, the matter was transferred to the Tribunal for the terms of acquisition to be determined.
3. The Court Order included the following:
 2. The Claimants are entitled to acquire the Premises on such terms as may be determined by the First-tier Tribunal (Property Chamber) as if they had, at the date of this claim, given notice under section 13 of the 1993 Act of their claim to exercise the right to collective enfranchisement in relation to the Premises, and the requirement to serve such a notice is hereby dispensed with;
 3. Upon the payment into court by the Claimants of the Appropriate Sum there shall be executed by a Director at Arcadia Law Ltd, in favour of the Claimants or such person as they may choose to appoint for the purpose (“the Transferee”) and delivered to the Transferee a conveyance in a form approved by the First-tier Tribunal (Property Chamber) and that conveyance shall be effective to vest in the Transferee the freehold interest in

the Premises (being the premises known as 25 Hatherley Road, Walthamstow, London E1 7 6SE registered at HM Land Registry under title number EX62549) subject to and in accordance with the terms of the conveyance;

4. The 'Appropriate Sum' means:

a. Such amount as determined by the First-tier Tribunal (property chamber) to be the price which would be payable in accordance with Schedule 6 of the 1993 Act if the Premises were being acquired in pursuance of a notice under section 13 of the Act; and

b. Such amounts or estimated amounts (if any) as determined by the First-tier Tribunal (Property Chamber) to be due at the time of the conveyance from the Claimants to the Defendants under section 27(5)(b) of the 1993 Act;

c. Less the following sums:

i. The Claimants' costs of this claim, summarily assessed at £7,601 inclusive of VAT;

ii. The Claimants' costs of the application to the Tribunal;

iii. The Claimants' reasonable conveyancing and surveyors' costs.

4. The Tribunal issued directions on 28 February 2024. The Applicants were given an opportunity to request a remote video hearing, but have not done so and the matter has therefore come before me for determination based on written representations, in accordance with rule 31 of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 ("the rules"). I did not consider that an inspection was necessary or proportionate in this case.

Expert Evidence

4. An experts' valuation report dated 25 March 2024 was provided by Mr James Gilmartin MRICS, of Gilmartin Ley Winchmore Hill London N21. He has considerable experience of valuation including leasehold enfranchisement valuation. He qualified in 2000. His report contains the declarations required from expert witnesses by the RICS. His report does not contain the specific wording required by rule 19(5)(b) of the Tribunal Rules "I believe that the facts stated in this report are true and that the opinions expressed are correct" but the declarations given are substantially to the same effect. I am satisfied that Mr Gilmartin is qualified to give expert evidence and understands his duties to the Tribunal.
5. The substantive valuation sections of the report may be summarised as follows. The valuation date is 19 October 2023. The property comprises a Victorian mid-terraced two storey house, converted into two flats. The ground floor has a rear extension. The first floor is a one-bedroom flat, which includes the roof space. The gross internal area ("GIA") is 549 sq. ft. In 2018, planning permission was granted for a loft conversion

adding a bedroom and ensuite shower/WC. That permission had lapsed but could be renewed. The scheme would add 248 sq. ft of which 42 sq. m would be below 1.5m in height. The ground floor flat is 2 bedrooled with an original GIA of 579 SQ ft. As extended the GIA is 689 sq. ft. Both leases are for 125 years from 25 March 1988 with 89.43 years unexpired at the valuation date. The initial ground rent of the first floor flat was £50 rising to £100 at 25 years, £150 at 50 years, £200 at 75 years fixed for the remainder. The initial ground rent of the ground floor flat was £25 rising to £50 at 25 years, £100 at 50 years, and £200 at 75 years fixed for the remainder. The property is in central Walthamstow close to Hoe Street and the underground station. Photographs were supplied.

5. The first floor flat was worth £370,000 as FHVP supported by 2 nearby comparables under offer at £360,000 and £370,000 respectively. The FHVP of the ground floor flat was £525,000 disregarding the extension. The value with extension was £580,000 before construction costs and profit. Mr Gilmartin also referred to 2 comparables of £601,460 and £585,000 which supported this. Further the subject flat was sold in October 2022 for £570,000.
6. Mr Gilmartin adopted 8.50% for the capitalisation rate. He had devalued 4 transactions and having made various assumptions analysed these as producing rates of 5.8% to 14.7%. He then referred to the *Parkhill* decision (LON/00BF/OLR/2022/0904) where the Tribunal accepted a market analysis approach and determined a capitalisation rate of 8.32%. [This was based on a starting point of 8.82% less 0.5% to reflect the 20-year doubling of ground rent as against the 25-year pattern in the comparables]. Mr Gilmartin considered overall that an 8.5% rate was appropriate.
8. As to deferment rate, Mr Gilmartin adopted the *Sportelli* rate of 5%.
7. Mr Gilmartin added £100 for the value of common parts outside the demises. His valuation was £13,693.

Findings

8. I agree with the deferment rate. I agree with the virtual freehold values of each flat. As to capitalisation rate I do not accept the 8.5% put forward and adopt 7%. The reason is that the evidence shows a very wide range of analyses and is unreliable, being sensitive to underlying assumptions. Further, in *Parkhill* the ground rent pattern was substantially more onerous than that here. I am not persuaded that any addition for common parts is appropriate.
9. I arrive at a premium of **£14,219**. My calculation is attached in the Appendix.

10. I approve the form of draft transfer as set out at pages 160-164 of the Tribunal hearing bundle, subject to the blank entries in box 8 being inserted when available.

11. I find that as no landlords' notices under s. 47 of The Landlord and Tenant Act 1987 or notices under s. 166 of the Commonhold and Leasehold Reform Act 2002 have been served, that neither service charges nor ground rent is due by the claimants to the defendants.

Name: Mr Charles Norman FRICS

Date: 6 May 2024

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.

APPENDIX

**IN THE MATTER OF THE COLLECTIVE ENFRANCHISEMENT OF 25 Hatherley Road, Walthamstow, London, E17 6SE
VALUATION BY THE FIRST-TIER TRIBUNAL (PROPERTY CHAMBER)**

Date of Valuation						19-Oct-2023
Unexpired Term both leases/years						89.43
Unimproved FHVP of both leases					£	895,000
Ground rent capitalisation rate						7.00%
Reversionary deferment Rate						5.00%
Premium Payable						
Value of Freeholder's Present Interest						
Both flats						
Term 1						
Ground rent				£	150	per annum
14.43 years purchase	@	7.00%	8.9043		£	1,336
Term 2						
Ground rent				£	250	per annum
25 Years' Purchase	@	7.00%	11.6536			
PV £1	14.43	@	7.00%			
			0.3767			
			4.38991		£	1,097
Term 3						
Ground rent				£	400	per annum
50 Years' Purchase	@	7.00%	13.8007			
PV £1	39.43 years	@	7.00%			
			0.06941			
			0.95791		£	383
Virtual freehold both flats				£	895,000	
Present value 89.43 years @ 5%			0.01274		£	11,402
Valuation						
					£	14,218.59
				say	£	14,219