



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

Case Reference : **LON/OOAZ/OCE/2023/0154**

Property : **2 Nelgrade Road, London
SE6 4TF**

Applicants : **Sarah Fiona Eagle
Megan Isabel Gooderson**

Representative : **Drysdales Solicitors LLP**

Respondent : **James Moor (missing landlord)**

Representative : **None**

Type of Application : **Enfranchisement**

Tribunal Members: **Judge Robert Latham
Richard Waterhouse FRICS**

Venue of Hearing : **Alfred Place, London WC1E 7LR**

Date of Decision : **20 February 2024**

DECISION

Summary of Decision

(1) The Tribunal determines that price to be paid into court in respect of purchase of the freehold of 2 Nelgrade Road, Catford, London SE6 4TF is £10,700.

(2) The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicant, subject to the amendments specified at paragraph 14.

Background

1. On 12 October 2023, Deputy District Judge Watterson, sitting in the County Court at Bromley, made an order pursuant to Section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") dispensing with the requirement to serve an initial claim notice to acquire the freehold in of 2 Nelgrade Road, Catford, London SE6 4TF ("the "Property"). He further ordered that by virtue of section 27, the freehold of the Property shall vest in the Applicants on such terms as shall be determined by this Tribunal.

Evidence

2. We have been provided with a valuation report by Mr Michael Dedman MS BSc (Hons), dated 17 January 2024. He computes the premium to be £10,700. The Applicant has provided a Bundle of Documents which extends to 136 pages.

Lease details

3. The Respondent missing landlord is the lessor of the Property which is an end of terrace property. It has been divided to create two flats. semi-detached two storey building which has two flats:

(i) The ground floor flat has two bedrooms, a lounge, bathroom and kitchen with access to a rear garden and side access which accommodates a lean-to. The size of the flat is 80.3 sqm.

(ii) The first floor flat has three bedrooms (one of which is ensuite), a kitchen, and a bathroom. A portion of the garden is included in the lease with access through the lean-to. The roof space has been converted since the lease was granted to provide further accommodation including two bedrooms and a bathroom. The roof is included within the demise of this flat. The Tribunal does not have regard to the roof extension in making its valuation as this is a tenant's improvement. The size of the flat is 91.4 sqm.

4. The lease for the ground floor flat is dated 12 August 1997. It is for a term of 125 years from 12 August 1997. The rent is £100 pa for 33 years, increasing to £150pa for 33 years and £200 for the remaining 59 years. The unexpired term is therefore 99.2 years.
5. The lease for the first floor flat is dated 5 December 1997. It is for a term of 125 years from 5 December 1997. The rent is £100pa for 33 years, increasing to £150pa for 33 years and £200 for the remaining 59 years. The unexpired term is therefore 99.5 years.

Valuation date

6. The valuation date is 1 June 2023, namely the date of the application to the Court (s.27 (1) (b)).

Hypothetical Unimproved Freehold Value of the Flats

7. Mr Dedman has computed the long leasehold value of the flats. He has had regard to three comparables:
 - (i) 28 Bradgate Rd SE6 4TS: This is a two bedroom flat with a garden of 78 sqm. It sold in August 2023 for £417,000.
 - (ii) 76 Brookdale Rd SE6 4JP: This is a two bedroom flat with a garden of 58 sqm. It sold in October 2022 for £360,000.
 - (iii) 24a Bradgate Rd SE6 4TS: This is a one bedroom flat with a garden of 65 sqm. It sold in May 2023 for £365.
8. Mr Dedman has provided a table summarising the comparables at p.58 of the Bundle. He has adjusted the comparable for size, floor level, condition and location. He has computed the unimproved freehold value of the ground floor flat to be £405,000 and the first floor flat to be £470,000. We accept these assessments.

Capitalisation Rate

9. Mr Dedman adopted a capitalisation rate of the ground rent of 7%. We accept this, given the size and nature of the ground rents.

Deferment Rate

10. We approve the "Sportelli" rate of 5% for deferment which Mr Dedman has adopted.

Relativity Rate

11. As the unexpired term for both leases is more than 80 years, no compensation for marriage value is payable.

Appurtenant Land

12. The communal land includes the external areas, communal spaces and areas undemised. There are no undemised areas. The communal spaces include areas bordered blue on the plans being all accessways as well as the area between the front wall and the boundary wall. It is considered that there is no value in this land because of the lessees' rights of way over it. Mr Dedman computes the consideration for appurtenant land to be £1. We agree.

Calculation of the Premium

13. Mr Dedman computes the premium for the Property to be £10,700. His calculation is at p.59-60 of his report. He has apportioned £5,113 to the

ground floor flat, £5,564 to the first floor flat and £1 to the appurtenant land. We approve these valuations.

The TR1

14. The Tribunal approved the TR1 subject to the following amendments:

(i) Panel 8 should read: “The sum of £10,700 has been paid into Court less £___ (the costs awarded to the transferee)”.

(ii) Panel 10 must be completed.

Judge Robert Latham
20 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.