



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

Case Reference : **LON/OOAE/OCE/2023/0155**

Property : **50 Purves Road, London, NW10 5JE**

Applicants : **David Walker
Nicola Angela Lutkins**

Representative : **Collins Benson Goldhill LLP**

Respondent : **Bertha Jumaily (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 50 Purves Road, London, NW10 5JE 2 is £8,060.

(2) The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicant, subject to the amendment specified in paragraph 17.

Background

1. On 5 January 2013, Deputy District Judge Smyth, sitting in the County Court at Willesden, on the application of the Applicants, transferred this case to the tribunal for the administration of this claim. The Court did not make orders pursuant to Section 13 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") dispensing with the requirement to serve an initial claim notice under section 13 to acquire the freehold in 5 Hitherfield Road, London, S16 2LW (the "Property") or pursuant to section 27 that the freehold of the Property should vest in the Applicants.
2. As matters currently stand, pending a formal rules based scheme being put into operation, the Tribunal is not currently sitting 'double-hatted' (where a tribunal judge makes an order as a Judge of the County Court). The Tribunal is therefore dealing with the tribunal aspects of the case and the Tribunal has made a decision regarding the premium and approved the transfer. The Applicants should now apply to the County Court to consider the Part 8 claim and make the appropriate vesting order.

Evidence

3. We have been provided with a valuation report by Mr R G Maunder Taylor, MRICS, dated 19 January 2024. He computes the premium to be £7,600. The Applicant has provided a Bundle of Documents which extends to 179 pages.

Lease details

4. The Respondent missing landlord is the lessor of the Property which is a two storey mid-terrace house comprising two flats:
 - (i) The ground floor flat has two bedrooms (one leading to the rear yard), a living room, kitchen and bathroom. The flat has sole use of the rear garden. There is no off street parking. The size of the flat is 48.2 sqm.
 - (ii) The first floor flat has extended into the existing roof space and comprises one bedroom, a bathroom, a cupboard, and an open plan kitchen and living room of the first floor and a further bedroom leading to a roof terrace on the top floor and within the existing roof space. The roof is included within the demise of this flat. The size of the flat is 75.1 sqm excluding the roof terrace. The roof terrace has a floor area of 20.4 sqm. The Tribunal does not have regard to the roof extension in making its valuation as this is a tenant's improvement.
5. The lease for the ground floor flat is dated 9 June 1995 and is for a term of 125 years from 25 December 1994. The rent is £100 pa for first 25 years, then increasing to £200, £250, £300 and £350 pa at 25 year intervals.

6. The lease for the floor flat is dated 22 November 2021 and is for a term of 215 years from 25 December 1994. As a result of a statutory extension of the original lease, it is now at a peppercorn rent.

Valuation date

7. The valuation date is 12 October 2022, namely the date of the application to the Court (s.27 (1) (b)).

Hypothetical Unimproved Freehold Value of the Flats

8. Mr Maunder Taylor has computed the long leasehold value of the flats. He has had regard to five comparables:

(i) 41a Holland Road which is a two bedroom ground floor flat which sold in November 2022 for £625,000.

(ii) 100a Purves Road which is a two bedroom ground floor flat which sold in March 2021 for £520,000.

(iii) 142a Bathurst Gardens which is a two bedroom ground floor flat which sold in September 2021 for £552,000.

(iv) 56a Bathurst Gardens which is a two bedroom ground floor flat which sold in June 2021 for £625,000.

(v) 77b Bathurst Gardens which is a three bedroom flat which sold in June 2022 for £779,000.

9. From these comparables, Mr Maunder Taylor has computed the long leasehold value of the ground floor flat to be £560,000 and the first floor flat to be £700,000. He has increased these by 1% to compute the unimproved freehold value of the flats. He has not provided any table analysing the comparables.

10. In the absence of any proper analysis of the comparables, the Tribunal has considered whether these figures are appropriate. We note the presence of a train line at the end of the garden of the subject property, which would be a significant factor. We have satisfied ourselves that Mr Maunder Taylor's assessments are robust.

Capitalisation Rate

11. Mr Maunder Taylor adopts a capitalisation rate of the ground rent of 8%. Having regard to the nature of the rents which are passing, the Tribunal is satisfied that 7% is the appropriate figure. We annex our calculation of the value of the reversion of the ground floor flat using this figure. It increases the premium from £7,500 to £7,960. We adjust the valuation accordingly.

12. The premium for the upper flat is nominal given the statutory lease extension. The lower figure of 7% makes no significant difference to the premium for this flat.

Deferment Rate

13. We approve the “Sportelli” rate of 5% for deferment which Mr Maunder Taylor has adopted.

Relativity Rate

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

Calculation of the Premium

15. Mr Maunder Taylor computes the premium for the Property to be £7,600. His calculation is at p.139-140 of the Bundle. He has apportioned £7,500 to the ground floor flat and a nominal £100 to the first floor flat.
16. The Tribunal computes the premium for the Property to be £8,060, namely £7,960 in respect of the ground floor flat and a nominal £100 to the first floor flat.

The TR1

17. The Tribunal approved the TR1 subject to the following amendment: Panel 9 should read: “limited title guarantee”.

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.

Appendix: Ground Floor Flat , 50 Purves Road London NW10 5SU

Ground Rent Initial ground rent	£200		
Capitalised at 7% for 22.20 yrs	<u>11.33882</u> £2267	£2267	
Rising to Capitalised at 7% for 25.00 yrs Deferred at 7% for 22.20 yrs	<u>£250 11.6536 0.22275994</u> £649	£649	
Rising to Capitalised at 7% for 25.00 yrs Deferred at 7% for 47.20 yrs	<u>£300 11.6536 0.0410434</u> £143	£143	
Rising to Capitalised at 7% for 24.99 yrs Deferred at 7% for 72.20 yrs	<u>£350 11.6541 0.0075623</u> £31	£31	
		£3090	£3090
REVERSION Calculated by reference to freehold value Deferred at 5.00% for 97.20 yrs	<u>£565,656 0.0087192</u> £4932	£4932	
Less freehold value Deferred at 5.00% for 187.20 yrs	<u>-£565,656 0.000108004</u> -£61 -----	<u>£61</u> £4871	£4871
MARRIAGE VALUE Nil as unexpired term greater than 80 yrs			£0
OTHER COMPENSATION			£0
Total payable			£7961