



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

<b>Case reference</b>	:	<b>LON/00AQ/OLR/2024/0197</b>
<b>Property</b>	:	<b>188 Headstone Drive, Harrow, HA1 4UP</b>
<b>Applicant</b>	:	<b>Mr Patrick Anthony Prendergast</b>
<b>Representative</b>	:	<b>Brady Solicitors</b>
<b>Respondent</b>	:	<b>Mr Mohammed Mahroof</b>
<b>Representative</b>	:	<b>None</b>
<b>Type of application</b>	:	<b>Section 39 of the Leasehold Reform, Housing and Urban Development Act 1993 (Missing Landlord)</b>
<b>Tribunal members</b>	:	<b>Mr Anthony Harris LL.M FRICS FCI Arb (Valuer Chair)</b>
<b>Venue</b>	:	<b>10 Alfred Place, London WC1E 7LR</b>
<b>Date of decision</b>	:	<b>11 June 2024 <i>Corrected 13 June 2024</i></b>

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**DECISION**

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**Summary of the tribunal's decision**

- (1) The appropriate premium payable for the collective enfranchisement is **£32,392.00. (thirty two thousand three hundred and ninety two)**

## **Background**

1. This is an application made pursuant to section 39 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for a determination of the premium to be paid for a statutory lease extension due to a missing landlord of 188 Headstone Drive, Harrow HA1 4UP.
2. By an application to the court dated 2 November 2023 the applicant sought an order vesting order under s50(1) as the freeholders could not be traced.
3. By an order dated 10 November 2023 the Watford County Court made a vesting order transferring the matter to the First Tier Tribunal.
4. The tribunal issued directions on 19 March 2024. A bundle has been submitted to the tribunal including a valuation report and draft lease.

## **The issues**

5. The tribunal has been provided with a valuation report prepared by Mr Adam Mongose BA MRICS:
  - (a) The subject property is a a two-storey end-terrace property split into 2 self-contained flats with the subject property being on the ground floor. There is a single front door and both flats have access to the rear garden. The flat is conventionally laid out with accommodation consisting of entrance hall, bedroom, bathroom, living room with separate kitchen area. The flat has the benefit of main services has gas-fired central heating. The flat is described as being in poor condition.
  - (b) The valuation date: 9 November 2023
  - (c) Details of the tenants’ leasehold interest:
    - (i) Date of lease: 28 March 1986
    - (ii) Terms: 99 years from 28 February 1986
    - (iii) Ground rent: £50 per annum for each flat rising by £50 at 33 yearly intervals
    - (iv) Unexpired term at valuation dates: 61.3 years;
  - (d) Mr Mongose has used a Capitalisation rate of 7%; and a Deferment rate of 5%.

## **Matters to be determined**

6. The following matters are to be determined by the tribunal:

- (a) Capitalisation rate;
- (b) Relativity; and
- (c) The premium payable.

### **The hearing**

- 7. The case was decided on the papers on 11 June 2024. The applicants were represented by Brady solicitors. The respondents were untraced and no representations were received on their behalf.
- 8. Neither party asked the tribunal to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.
- 9. The applicant relied upon the expert report and valuation of Mr Mongose dated 10 April 2024. No valuation was submitted on behalf of the respondent.

### **Deferment and capitalisation rates**

- 10. The tribunal agrees that a capitalisation rate of 7% and a deferment rate of 5% are appropriate.

### **Relativity**

- 11. Mr Sharma has used a relativity of 79.08% although the source is not stated.
- 12. In this case the tribunal prefers to use the Zucconi rate of 79.15% based on a blending of the Savills and Gerald Eve unenfranchisable graphs.
- 13. Marriage value is to be divided evenly as the leases have less than 80 years unexpired.

### **Freehold value**

- 14. Mr Mongose has provided details of a number of comparable flats.
- 15. 72 Victor Road Harrow is a one-bedroom ground floor garden flat sold for £220,000 in October 2023. The flat has a 148 year lease and is in better condition.
- 16. 62A Toorack Road Harrow is a one-bedroom first floor flat sold for £253,000 in November 2023. The flat has a private garden and is larger. It is in similar condition and has a share of the freehold.

17. Flat 3 Hindes Road Harrow is a one-bedroom 1<sup>st</sup> floor flat sold for £260,000 in July 2023. The flat is slightly smaller, has a share of the freehold and shared use of the garden. It has a refurbished kitchen and is in better condition.
18. 49a Beresford Road Harrow is a one-bedroom first floor which is larger than the subject and has shared use of the garden and a share of the freehold and sold £250,000 in March 2023.
19. 11 Wolseley Road Harrow is a one bedroom first floor flat which is larger and with its own garden. It is recently refurbished and has a long lease. It sold “recently” for £253,000.
20. Based on this evidence Mr Mongose places a value on the ground floor flat of £250,000 assuming a long lease and a current value of £197,700.

### **The tribunal’s determination**

21. The tribunal has considered the evidence submitted and also used its own expert knowledge. The tribunal agrees that the value placed on the flat by Mr Mongose is appropriate. The long leasehold figure of £250,000 represents 99% of the freehold value which comes to £252,525 based on the market convention.

### **Hope value**

22. The tribunal considers that the property is fully developed and there is no hope value to be added in this case.

### **Valuation**

23. The tribunal assesses the premium to be paid at £32,392 as set out in the attached valuation.

### **Draft Lease**

24. *The terms of the draft lease are approved.*

**Name:** Mr A Harris

**Date:**

11 June 2024 and 13 June  
2024

Address	188 Headstone Rd			Tribunal Valuation				
<b>Basic Information</b>								
Valuation Date	09 November 2023							
Existing Lease Expiry Date	27 February 2085							
<b>Years unexpired</b>	<b>61.30</b>							
<b>Length of new lease</b>	<b>151.30</b>							
Existing Ground Rent	£100.00							
Basis of review								
Date of 1st review	28 February 2052							
<b>Years to 1st review</b>	<b>28.30</b>							
Length of period	33							
Rent at 1st review	£150.00							
Capitalisation Rate	7.00%							
Deferment Rate	5.00%							
Long Lease Figure	£250,000							
F/H to Long lease change	99%							
Freehold figure	£252,525							
Real World Short Lease Value								
No Act Discount								
Relativity Rate	79.15%							
Current Lease Value	£199,874							
<b>EXISTING FREEHOLD VALUE</b>								
<b>TERM VALUE</b>				Cap Rate	P/V	Multiplier	Term Value	
Term 1	£100.00	28.30	7.00%	12.1808	1	12.1808	£1,218	
1st Review	£150	33.00	7.00%	12.7538	0.15	1.8792	£282	
						<b>Total Term Value</b>	<b>£1,500</b>	
<b>REVERSION VALUE</b>				Capital Value	Years to Reversion	Deferment Rate	P/V	Reversion Value
				£252,525	61.30	0.05	0.0502	<b>£12,686</b>
							<b>£14,186</b>	
<b>NEW FREEHOLD VALUE</b>				Capital Value	Years to Reversion	Deferment Rate	P/V	Reversion Value
				£252,525	151.30	0.05	0.0006	<b>£157</b>
<b>MARRIAGE VALUE CALCULATION</b>								
Value of Freeholders New Interest							£157	
Value of Leaseholders New Interest							£250,000	£250,157
less								
Value of Freeholders Current Interest							£14,186	
Value of Leaseholders Current Interest							£199,874	£214,060
						<b>Difference</b>	<b>£36,097</b>	
						<b>50% of Difference</b>	<b>£18,049</b>	
<b>CALCULATION OF PAYMENT BY LEASEHOLDER</b>								
Freeholders Current Value				£14,186				
Freeholders New Value				£157				
Share of Marriage Value				£18,049				
							<b>£32,392</b>	

## **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).