



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

**Case reference** : LON/00BE/OCE/2024/0086

**Property** : 52 Avondale Rise, London SE15 4AL

**Applicant** : (1) Avondale Rise Ltd  
(2) George Clavin Saunders

**Representative** : Streathers Solicitors LLP

**Respondents** : (1) Robert Samuel Skyers  
(2) Clotilda Chowfen

**Representative** : N/A

**Type of application** : s.24 Leasehold Reform, Housing and  
Urban Development Act 1993 (missing  
landlord)

**Tribunal  
member(s)** : Judge Tagliavini  
Mr Duncan Jagger MRICS

**Venue** : 10 Alfred Place, London WC1E 7LR

**Date of decision** : 1 October 2024

---

**DECISION**

---

## **The tribunal's decisions**

1. The tribunal determines the premium payable by the applicants to the respondents in respect of the freehold of the subject property at Avondale Rise, London SE15 4AL is **£152,569** as per the valuation at Appendix A).
- 

## **The application**

2. This is an application for a determination of the premium payable in respect of the freehold of the subject property at 52 Avondale rise, London SE15 4AL ('the property) pursuant to the provisions of the Leasehold Reform Housing and Urban Development Act 1993 ('the 1993 Act).

## **Background**

3. A claim was made in the county court in respect of the premium payable for the freehold of the subject property as the respondent landlords could not be located. Subsequently, service on the respondent landlords was dispensed with and a vesting order was made on 7 February 2024 by Deputy District Judge McCann sitting at the County Court in Central London and dated 14 March 2024.
4. The claim was remitted to the First-tier Tribunal for a determination of the premium payable in respect of the acquisition of the freehold by the applicants in accordance with Schedule 6 of the 1993 Act.

## **The property**

5. The property comprises a two-storey terraced house converted into two flats, with a one bedroom flat with living room, kitchen/diner and bathroom/w.c. on the ground floor and a two-bedroom flat with living room, kitchen/diner and bathroom/w.c. on the first floor. Both flats have shared use of a rear garden.
6. The Ground floor flat is subject to a lease dated 15th March 1974 between Robert Samuel Skyers & Coltilda Chowfen (Lessors) and John Frances Honey. The lease is for a term of 99 years from 1st January 1974 therefore expiring on 31st December 2074 having approximately 51.31 years remaining.
7. The First-floor flat is subject to a lease dated 15th March 1974 between Robert Samuel Skyers & Coltilda Chowfen (Lessors) and Michael

Christopher & Margaret Quinn. The lease is for a term of 99 years from 1st January 1974 therefore expiring on 31st December 2074 having approximately 51.31 years remaining.

8. The ground rents are the same for both flats which are £25.00 - £50.00 - £75.00. The ground rents will rise every 33 years in accordance with the lease.

### **The applicants' case**

9. The application was determined on the papers provided to the tribunal and comprised a digital bundle of 258 pages. The applicants relied upon the valuation report of Richard C Jackaman, DipSurv AssocRICS MFPWS dated 29 June 2024. Mr Jackaman concluded the premium payable was £110,330 (best case scenario) or £135,500 (worst case scenario)

### **The tribunal's reasons**

10. The tribunal determines that the premium payable under the 1993 Act is a total of £152,569 (One hundred and fifty-two thousand five hundred and sixty-nine pounds) and this is the appropriate sum to be paid into the county court.
11. The tribunal determines that in the valuation report dated 29<sup>th</sup> June 2024, Mr Jackman did not provide a freehold value, which by convention is the extended lease value plus 1%. The extended lease values of the two flats provided (i) a total of £700,000 (best case scenario) or (ii) £780,000 (worst case scenario) with the ground floor flat freehold vacant possession valued at £365,000 or £405,000 and the first floor valued at £335,000 or £375,000). Mr Jackaman adopted a capitalisation rate of 7%, and a deferment rate of 5% for each flat and in each scenario. Mr Jackman correctly used 9 September 2022 as the valuation date.
12. At the valuation date, the two leases had unexpired terms of 51.31 years. However, in view of the fact the two leases have unexpired terms of less than 80 years, marriage value is deemed to exist and as such, a marriage value calculation must apply.
13. Having carefully scrutinised the valuation, including the comparable evidence, the Tribunal agrees with the capitalisation and deferment rates. However, the tribunal does not adopt the methodology used by Mr Jackman to calculate relativity of the long lease values and the valuation of the long leases as it found the methods used by him were incomplete and inaccurate.
14. The Tribunal examined the comparable evidence set out in the report for the two flats. The report provided four comparables for the ground

floor one bedroom flat and three comparables for the two-bedroom first floor flat. It would have been good practice for 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 and precise method of indexation for time lapse in comparison with the valuation date. No such schedule was provided by Mr Jackman.

15. The Tribunal makes two further observations. Firstly, the report provides no methodology whatsoever as to how the valuation figures have been calculated based upon the evidence relied upon. Further, the valuation figures do not appear to make any sense as the one-bedroom flat is valued £30,000 more than the two-bedroom flat.
16. Therefore, in order to provide a valuation methodology to calculate the long lease values, the Tribunal has taken the average of the comparables for the ground and first floor flats, which equate to £395,000 and £452,000 respectively.
17. As regards the calculation of the figure of relativity, the tribunal finds that Mr Jackman provided a schedule of Relativity Graphs ranging from 72% to 77%. However, there was no methodology provided establishing how these figures were assessed or what graphs the Tribunal should rely on.
18. The Tribunal was surprised to see that Mr Jackman did not refer to or was unaware of the case of *Sloane Stanley-v- Munday* [2018] EWCA and its disapproval of the use of graphs and preference for real world sales evidence where the same is available. However, the tribunal is aware that in the absence of such real-world sales evidence, it has been recommended by the Upper Tribunal that the most suitable approach would be the use of the average of the Gerald Eve and Savills unenfranchiseable graphs to find the 'real world' leasehold value. This produces a relativity of 71.60% for an unexpired lease term of 51.37 years.
19. The Tribunal therefore adopts this methodology and the relativity figure this produces. Overall, the tribunal finds the valuation report relied upon by the applicants, falls short of the expectations of the Tribunal and fails to meet the required standards of expert evidence particularly where there is a missing landlord.
20. In conclusion, the tribunal prefers its own expert valuation as found in Appendix A to that of the applicants' valuation evidence.

**Name: Judge Tagliavini**

**Date: 1 October 2024**

## **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 should be made on Form RP PTA available at <https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>

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).

## APPENDIX A

52 Avondale Rise, Peckham, London SE15 4AL

### The Tribunal's Valuation

Assessment of premium for Collective Enfranchisement

In accordance with the Leasehold Reform, Housing and Urban Development Act 1993

LON/00BE/OCE/2024/0086

#### Components

Valuation date:	09/09/2022	
Deferment rate:	5%	
Capitalisation rate:	7%	
Freehold value:	£855,555	
Long lease value	£847,000	
Existing Lease Value	£612,577	
Unexpired Term	51.31 years	
Ground rent currently receivable	£100	
Capitalised @ 7.0% for 16.53 years	9.6171	£962
Rising to:	£150	
Capitalised @ 7% for 33 years	12.753	
Deferred 16.63 years @ 7.0%	0.326	£624
Reversion to freehold value:	£855,555	
Deferred 51.31 years @ 5%	0.08180	£69,984
Less eventual reversion	£855,555	
	0.001	<u>£855</u>
		<b>£70,715</b>

#### **Marriage Value**

Landlords proposed interest	£855	
Tenants Proposed interest	£847,000	£847,885
Freeholder's Interest	£71,570	
Short lease value	£612,577	£684,147
		£163,708
50% Division of Marriage value		<b>£81,854</b>

**LEASE EXTENSION PREMIUM. £152,569**