



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

Case reference : LON/00AH/OCE/2025/0013

Property : 48 Headcorn Road, Thornton Heath,
CR7 6JP

Applicants : (1) You Kou
(2) April Jane Louise Evans

Representative : Comptons Solicitors LLP

Respondent : Liam Doyle

Representative : Not represented

Type of application : Section 27 of the Leasehold Reform,
Housing and Urban Development Act
1993

Tribunal members : Judge I Mohabir
Mr K Ridgeway MRICS

Date of decision : 30 April 2024

DECISION

Summary of the tribunal's decision

- (1) The premium payable by the Applicants for the freehold interest is **£12,706.**

Background

1. This is an application made by the Applicants, as qualifying tenants pursuant to section 27 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the price to be paid for the freehold interest of 48 Headcorn Road, Thornton Heath, CR7 6JP (the "property").
2. The Respondent is owner of the freehold interest in the property and are, therefore, 'the reversioner' within the meaning of the 1993 Act.
3. By a Part 8 claim form issued on 16 April 2024 under action number LooCR924 in the County Court at Croydon, the Applicants applied under section 26(1) of the Act for a vesting order on the basis that the Respondent could not be found on terms to be determined by the First Tier Tribunal (Property Chamber).
4. By Order of District Judge Hay dated 26 November 2024 the Court recorded that it was satisfied that the Respondent could not be found and made the vesting order sought. It ordered, *inter alia*, that the matter be transferred to the Tribunal for a determination of the price to be paid for the freehold interest and the terms of the Transfer (TR1)
5. The Tribunal issued Directions, which included a direction that its determination would be based solely on the basis of the documentary evidence filed by the Applicants.
6. The valuation evidence relied on by the Applicant is set out in the report prepared by Mr Stacey MRICS dated 14 March 2025.

Decision

7. The determination in this matter took place on 30 April 2025 and was based solely on the valuation evidence contained in the report of Mr Stacey.
8. The Tribunal relied on the description of the property externally and internally given in Mr Stacey's report at paragraph 3 and 5 for the description. The Tribunal did not carry out an inspection.
9. The lease term for the ground and first floor flat is 125 years from 29 September 1986, being approximately 87.45 years unexpired at the date of valuation.

10. Because the leases have more than 80 years to run, marriage value is not payable nor is any compensation.
11. We agreed with Mr Stacey that the value of the ground rent should be capitalised at 6.5% per annum on the basis that they are currently £150 per annum and doubles every 33 years until the final 26 years when it becomes £600. We consider the ground rent payable is modest and would be unattractive to investors due to the administrative level required in order to collect it.
12. We agree with Mr Stacey's use of 5% for the deferment of the reversion, which is in accordance with the decision in ***Sportelli***.
13. We agree with Mr Stacey that the freeholder's interest before enfranchisement is that the ground floor flat has a long leasehold value of £260,000 (Two hundred and sixty thousand pounds) and the first floor flat has a long leasehold value of £250,000 (Two hundred and fifty thousand pounds).
14. We agreed with Mr Stacey that the value of the any appurtenant land of the remaining communal grounds have a nominal value of £50.00.
15. We, therefore, confirm Mr Stacey's valuation of the freehold interest in the sum of £12,706.
16. The terms of the draft Deed Transfer (TR1) are approved.

Name: Tribunal Judge I Mohabir **Date:** 30 April 2025

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).