



Residential  
Property  
TRIBUNAL SERVICE

**LONDON RENT ASSESSMENT PANEL  
LEASEHOLD VALUATION TRIBUNAL**

**Case Reference: LON/00AE/OCE/2009/0038**

**DETERMINATION OF THE LEASEHOLD VALUATION TRIBUNAL ON A  
TRANSFER FROM BARNET COUNTY COURT UNDER SECTION 26 OF  
THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT  
ACT 1993**

**Nominee Purchaser:** 7 Craven Park Limited  
**Landlord:** Absent  
**Premises:** 7 Craven Park, London NW10 8SU  
**Dates of Transfer from Court:** 3 December 2008  
**Leasehold Valuation Tribunal:** Mr J C Avery BSc FRICS  
Mr E Goss  
**Date of Determination:** 22 June 2009

**Preliminary**

1. On 3 December 2008 Willesden County Court transferred to the Tribunal a claim for an order under section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") vesting the freehold in the Nominee Purchaser, in the belief that the relevant landlord could not be found.
2. In Directions issued on 25 February 2009 the Tribunal indicated its intention to determine the price on the basis of papers submitted and without an oral hearing. No party requested an oral hearing and the Tribunal considered the papers on 15 April 2009. Further information from the Nominee Purchaser's valuer was required and a further bundle of papers was received on 9 June 2009. These were considered by the tribunal on 22 June 2009.

3. In the bundle submitted in accordance with the Directions was a valuation prepared by Jeremy Taylor BSc MRICS of Wenlock and Taylor, which calculated the premium payable for the freehold at £40,141.

### **THE VALUATION**

4. Mr Taylor confirmed that he made his report as an independent expert witness and, in his statement of truth, stated that he understood his duty to the Tribunal. Although his report seemed to indicate in places that he was valuing ninety year extensions his calculations were for collective enfranchisement in accordance with the Act.
5. He described the premises as five flats and three garages in Harlesden converted from a Victorian detached house. The flats are small and vary in size.
6. He cited a number of transactions from which he concluded that the values of the flats with 999 year leases and a share of the freehold were, on the valuation date: £187,100, £177,000, £177,000, £152,460 and £86,500 respectively, a total of £780,060.
7. From the well known "graph of graphs" prepared by Beckett & Kay he derived a relative value of the 73.15 years remainder of the current leases, disregarding the effect of the Act's rights to be 92%
8. In valuing the ground rents receivable he adopted a rate of 7.5% on the basis of current practice.
9. To value the reversion to freehold in 73.15 years he had regard to the decision of the Lands Tribunal in the case of *Earl Cadogan v Sportelli*, which found that a rate of 5% should be applied to reversionary values of flats.
10. To value the garage that is not part of a flat demise he adopted capitalisation and deferment rates of 10%

### **DETERMINATION**

11. The Tribunal accepts Mr Taylor's analysis of the comparable transactions, and the 92% relativity, as consistent with its own experience.
12. In valuing the ground rents receivable the Tribunal accepts the rate of 7.5% on the basis of its own experience.
13. In valuing the reversion to freehold in 73.15 years it was appropriate that he had regard to the decision of the Lands Tribunal in *Sportelli*.

14. The tribunal considers it unnecessary to value the garage as an independent investment or to value each flat separately, providing that the marriage value calculation uses only the participating flats. Accordingly, the price determined by the Tribunal is £41,140 as calculated in the attached Annex.

**Transfer**

15. The draft transfer is approved with the exception of panel 8 which should record that the price is paid into court.

J C Avery, Chairman,

A handwritten signature in black ink, appearing to read 'J C Avery', written over the printed name.

Date 22 June 2009

Valuation of 7 Craven Park, London NW10 8SU

Annex

Date of valuation		2-May-2009	
Expiry of current leases		24-Jun-2082	
Term unexpired at date of valuation		73.14	
Participating flats			
Ground rent		£200	
Review ground rent	24-Jun-15	£420	
Review ground rent	24-Jun-48	£780	
Non participating flats			
Ground rent		£50	
Review ground rent	24-Jun-15	£80	
Review ground rent	24-Jun-48	£120	
Capitalisation rate		7.5%	
Deferment Rate		5.0%	
PV in 7.14 years		0.5967	
PV in 40.14 years		0.0549	
PV in 73.14 years (5%)		0.0282	
YP 7.14 years		5.3776	
YP 33 years		12.1074	
Freeholder's share of marriage value		50%	
Value of freeholds (participating)		£603,060	
Value of freeholds (not participating)		£187,000	
Value of existing leases (participating)		£554,815	92%

Diminution in Landlord's interest

Present value (participating)

Present ground rent	£200		
YP 7.14 years	5.3776		
		£1,076	
Review ground rent	£420		
YP 33 years deferred 7.14 years	7.2245		
		£3,034	
Review ground rent	£780		
YP 33 years deferred 40.14 years	0.6647		
		£518	
Freehold value	£603,060		
PV in 73.14	0.0282		
		£17,006	
			£21,635

Present value (non participating)

Present ground rent	£50		
YP 7.14 years	5.3776		
		£269	
Review ground rent	£80		
YP 33 years deferred 7.14 years	7.2245		
		£578	
Review ground rent	£120		
YP 33 years deferred 40.14 years	0.6647		
		£80	
Freehold value	£187,000		
PV in 73.14	0.0282		
		£5,273	
			£6,200
			£27,835

Marriage value (Participating flats)

Tenant's future interest	£603,060		
Landlord's future interest	<u>£0</u>		
		£603,060	
Tenant's present interest	£554,815		
Landlord's present interest	<u>£21,635</u>		
		<u>£576,450</u>	
Marriage Value			£26,610
			50%
Freeholder's share			<u>£13,305</u>
Price for freehold			<u>£41,140</u>