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**LONDON RENT ASSESSMENT PANEL**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN  
APPLICATION UNDER LEASEHOLD REFORM ACT 1967 (Section 27)**

**Case Reference:** LON/00AE/OAF/2012/0061

**Premises:** 71 Brondesbury Park, London, NW6 7AX

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**Applicant:** T D C Busch & P Busch

**Representative:** Cavendish Legal Group

**Respondent:** K Hackl

**Representative:**

**Leasehold Valuation  
Tribunal:** Mrs H C Bowers (Chairman),  
Ms N Hawkes

**Date of decision:** 9<sup>th</sup> January 2013

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## DECISION

**That the premium to be paid for the enfranchisement of 71 Brondesbury Park, London, NW6 7AX is £5.00**

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### Introduction

1. On 18<sup>th</sup> September 2012 the Applicants, Tristan David Charles Busch and Pandora Busch, issued a claim for the grant of a vesting order pursuant to section 27 of the Leasehold Reform Act 1967 (the Act).
2. On 3<sup>rd</sup> November 2012, District Judge Kumrai of the Willesden County Court ordered that the Applicants are qualifying tenants for the purpose of section 1 of the Act and are entitled to acquire the freehold of the 71, Brondesbury Park, London, NW6 7AX (the subject property) at the purchase price and the form of conveyance to be determined by a leasehold valuation tribunal.

### Inspection

3. No inspection was requested and in view of the issues raised the Tribunal did not consider that an inspection would be of assistance.

### Hearing

4. In Directions dated 9<sup>th</sup> November 2012 it was indicated that unless there was a request for an oral hearing, that this matter would be determined without a hearing in the week commencing 7<sup>th</sup> January 2013. There was no request for a hearing, therefore this matter was considered by the Tribunal on 9<sup>th</sup> January 2013 on the basis of the papers before the Tribunal.

### Background

5. The Applicants hold a leasehold interest of the subject property subject to a lease dated 30<sup>th</sup> March 1926 and was initially between Bernard Henry Leigh as Lessor and Harry Marks Klarnett as Lessee. The lease was for an initial term of 999 years from 29<sup>th</sup> September 1924 and the equivalent annual rent payable under the lease was £0.25 for the whole term.
6. At the valuation date of 18<sup>th</sup> September 2012, there were 911 years unexpired and the passing rent under the terms of the lease was £0.25 per annum.

### Representations

7. Included in the papers submitted to the Tribunal was a valuation report provided by Timothy John Henson BSc MRICS of Clarke Hillyer Limited.

8. The subject property is described as a two storey dwelling dating from the 1950s. The accommodation comprises reception hall, three reception rooms, cloakroom, kitchen/diner and a utility room on the ground floor; four bedrooms (2 en-suite) and a family bathroom on the first floor and a bedroom, shower room and a sauna on the second floor. The gross internal area is calculated to be 3,155 sq ft. Externally there is an integral garage, a driveway with electric gates and gardens.

9. Mr Henson explained that the valuation for the subject property would be either under section 1 or section 1A of the Act. He had not been able to derive the rateable value of the property to determine which approach should be used. However, given the de minimis value of the premium he did not consider that the approach to be taken would have had any marked difference on the premium to be calculated. Valuations on both approaches were produced. It was also confirmed that the site was fully developed and there was no further significant potential to enhance the site.

10. In his report Mr Henson produced comparables of the sale price of three properties in close proximity to the subject property. The capital values of the three comparables ranged from £1,475,000 to £2,320,000 with a rate per sq ft ranging from £540 to £585/sq ft. It is noted that the subject property is currently on the market and is under offer at a price of £1,925,000 which equates to a rate of £610/sq ft.

11. Mr Henson proposed an entirety value of £1,925,000 and from that suggested a site value of £673,750 using a rate of 35%. From this he derived a modern ground rent by de-capitalised the site value at 6%. This produced a modern ground rent of £40,425. A capitalisation rate of 6% was used for the ground rent and a deferment rate of 4.75% was adopted.

12. Adopting all these elements into his valuation, Mr Henson suggested that the premium for the enfranchisement should be £5.00 using each valuation approach. The two valuations are re-produced in Appendix 1.

#### **The Tribunal's determination**

15. The Tribunal has considered all the elements of Mr Henson's valuation and sees no fault with the approach taken or the valuation assumptions he has made. Therefore the Tribunal confirms a premium of £5.00 as the premium for the enfranchisement.

18. In respect of the draft transfer in the form attached to the application, the following items should be inserted:

- In section 8 the details of the premium need needs to be inserted;

- In section 9 the box indicating the limited title guarantee needs to be crossed;
- In section 11 the following wording needs to be inserted "*This transfer is made under the provisions of the Leasehold Reform Act 1967*".

Otherwise the form of transfer is approved by the Tribunal.

**CHAIRMAN:**



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**Helen Bowers**

**DATE:**

**15<sup>th</sup> January 2013**



71 Brondesbury Park, NW6 7AX

10.2 Freeholders Interest - Modern Ground Rent Basis

Term

Ground Rent per annum	£	0.25	
Term 911 years @ 6%	X	<u>16.67</u>	
			£4.17

Reversion

Modern Ground Rent per annum	£	40,425	
YP in Perpetuity			
Deferred for 911.25 years @ 4.75%	X	<u>9.08E-18</u>	£0.00
Total			£4.17
			Say £5.00

10.3 Freeholders Interest - Entirety Value Basis

Freeholders Interest

Term (as above)

Ground Rent per annum	£	0.25	
Term 911 years @ 6%	X	<u>16.67</u>	
			£4.17

Reversion (to entirety value)

Entirety Value of House	£1,925,000.00		
Deferred for 911.25 years @ 4.75%	X	<u>1.6751E-27</u>	£0.00



71 Brondesbury Park, NW6 7AX

Marriage Value

Nil £0.00

Total £4.17

Say £5.00