



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

Case Reference : LON/OOAC/ORL/2016/1710

Property : Ground Floor Flat, 61 Wilberforce Road, London,
NW9 6AT

Applicant : Adam Shimon Levy and Catherine Levy

Representative : Streathers LLP

Respondent : Iskhara Silva (missing landlord)

Representative : None

Type of Application : Enfranchisement

Tribunal Members: Judge Robert Latham
Mr Luis Jarero BSc FRICS

**Date and venue of
Hearing** : Paper determination on 12 December 2016 at
Alfred Place, London WC1E 7LR

Date of Decision : 12 December 2016

DECISION

(i) The Tribunal determines that the premium payable by the Applicants in respect of the extension of their lease in respect of the ground floor flat at 61 Wilberforce Road, London, NW9 6AT is £23,218. Our working calculation is set out in the Appendix.

(ii) The Tribunal approves draft of the proposed new lease.

Background

1. The Applicants are claiming the right to acquire a new lease of their flat, namely the ground floor flat at 61 Wilberforce Road, London, NW9 6A ("the property") pursuant to the provisions of the of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act"). On 25 October 2016, Deputy District Judge Hussain, sitting at the Willesden County Court, made an order dispensing with the service of the tenants' notice under Section 42 on the ground that the landlord could not be found. He transferred the matter to this Tribunal to determine the terms of the new lease and the premium payable.

Evidence

2. We have been provided with a valuation report by Richard Sumner MRICS, dated 18 November 2016. He computes the premium to be £22,101. He inspected the property on 1 April 2016.
3. We have also been provided with a draft of the proposed new lease.

Lease details

4. The Applicants currently hold the flat under a lease, dated 6 November 1986, for a term of 99 years from 24 June 1986. The Valuation Date is 27 May 2016 when the unexpired term was 69.08 years. The flat originally consisted of two bedrooms with a living room and a dining room. The kitchen could only be reached by going through the dining room. The ground floor flat has its own garden. Alterations have been made to rearrange the dining room to provide a bedroom and a hallway to the kitchen between the bathroom/kitchen and dining room. It is currently being used as a three bedroom flat with one reception room. We value it in its unimproved condition.

Extended Lease Value

5. Mr Sumner proposes a valuation of £400,000. He considers four comparables:
 - (i) 3a Herbert Road, NWQ9 6AT: This sold for £440,000 on March 2016. We are satisfied that this is the best comparable and is closest in time to the valuation date. We accept that some deductions need to be made for its better condition, better layout and the additional bathroom.
 - (ii) Ground Floor Flat, 37 Russell Road, NW9 6AB. This sold for £395,000 in November 2016, some six months after the valuation date. The third bedroom is in a studio annexe at the rear of the garden. There is off street parking

- (iii) First Floor Flat, 37 Russell Road, NW9 6AB. This sold for £399,950 in September 2016. The reception room/kitchen and master bedroom are in a loft conversion. There is no garden. There is off street parking
 - (iv) First Floor Flat, 13 Dartmouth Road, NW4 3JA. This sold for £380,000 In September 2015. Mr Sumner suggests an uplift to £390,000 for time. This property is in a different location on the opposite side of the M1. There is no garden.
6. We determine the long lease value to be £415,000. We take 61 Wilberforce Road as the best comparable, but have made a reduction of £25,000 to reflect its better condition, better layout and the additional bathroom. We have regard to the three other comparables as a cross-check.

Adjustment for Freehold Value

7. We make a 1% adjustment to compute the freehold value, namely £419,192

Relativity

8. Mr Sumner has taken a figure of 91.78% having regard to the RICS's graphs. He has excluded the Austin Gray graph as this is based on data which is outside Greater London, mainly in Brighton and Hove. We also disregard Beckett and Kay which is opinion based. We therefore adopt a figure of 91.65%.

Capitalisation Rate

9. Mr Sumner suggests a figure of 7.5%. Applying our expert knowledge, we prefer to adopt the traditional figure of 7%.

Deferment Rate

10. We approve the "Sportelli" rate of 5% for deferment which Mr Sumner has adopted.

Calculation of the Premium

11. Our calculation is set out in the Appendix. We compute the premium payable to be £23,218.

Judge Robert Latham

12 December 2016

RIGHTS OF APPEAL

1. 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.
2. 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.
3. 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.
4. 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.

First-tier Tribunal

Appendix A

Ref: GM/LON/00AC/OLR/2016/1710

Valuation of 61 Wilberforce Road London NW9 6AT

Valuation date	27 May 2016
99 year lease from 24 June 1986	
Length of lease remaining	69.08 years
Ground rent for 1st 33 years	£50
Ground rent for 2nd 33 years	£100
Ground rent for remainder	£200
Freehold value	£419,192
Long lease value	£415,000
Existing lease value	£384,190
Relativity	91.65%
Capitalisation rate	7.0%
Deferment rate	5%

Value of freeholder's present interest

Ground rent	£50	
YP 3.08 yrs @ 7%	2.6873	£134.00
Reversion to new ground rent	£100	
YP 33 yrs @ 7%	12.7538	
PV of £1 deferred 3.08 years @ 7%	0.8119	£1,035.00
Reversion to new ground rent	£200	
YP 33 yrs @ 7%	12.7538	
PV of £1 deferred 36.08 years @ 7%	0.0871	£222.00
Reversion to freehold value	£419,192	
Deferred 69.08 years at 5%	0.03438	<u>£14,412.00</u>
Freeholder's present interest		£15,803.00

Freeholders Interest after grant of long lease

Ground rent	0	
Reversion to freehold value	£419,192	
Deferred 159.08 years at 5%	0.0004258	£178.00

Freeholder's diminution in value

£15,625

Calculation of marriage value

Value of property after grant of long lease

Freeholder's interest	£178	
Tenant's interest	£415,000	£415,178

Value of existing interests

Freeholder's interest from above	£15,803	
Tenant's interest	£384,190	£399,993
Marriage value		£15,185
Marriage value to be divided equally between freeholder and tenant		£7,593

Premium payable to freeholder

£23,218