

L1640



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

**Case reference** : **LON/00AE/OCE/2017/0260**

**Property** : **167 Melrose Avenue, Willesden  
Green, Cricklewood, London NW2  
4NA**

**Applicant** : **Gro Thorsen (1)  
Michael James Simonsen (2)**

**Representative** : **Hodders Law**

**Respondent** : **Ann Williams**

**Representative** : **Not applicable**

**Type of application** : **Application under sections 26 and  
27 of the Leasehold Reform  
Housing and Urban Development  
Act 1993**

**Tribunal members** : **Judge N Hawkes  
Mr Kevin Ridgeway MRICS**

**Date and venue of  
paper determination** : **10 January 2018 at 10 Alfred Place,  
London WC1E 7LR**

**Date of decision** : **14 February 2018**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determines that the price to be paid by the applicants for the freehold interest is £15,262, of which £7,778 is payable by the lessee of the Ground Floor Flat and £7,484 is payable by the lessee of the First Floor Flat.
- (2) The terms of the draft transfer are provided for in paragraph 14 below.

## **The background**

1. This is an application pursuant to a vesting order made by Employment Judge Gleannie, sitting at the County Court at Willesden on 15 June 2017, under section 26 of the Leasehold Reform Housing and Urban Development Act 1993 (the 1993 Act).
2. Section 26(1) of the 1993 Act concerns claims for collective enfranchisement where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 27 of the 1993 Act, the role of the Tribunal is to determine the appropriate sum to be paid into court in respect of the landlord's interests and also to approve the form and terms of the proposed transfer.
4. The applicants in this matter are Gro Thorsen of the Ground Floor Flat and Michael James Simonsen of the First Floor Flat at 167 Melrose Avenue, London NW2 4NA.
5. The applicants were the qualifying tenants of the two flats at 167 Melrose Avenue, London NW2 4NA (the Property). By virtue of the order of Employment Judge Gleannie, they became the nominee purchasers of the freehold interest in the Property for the purposes of the 1993 Act. The respondent freehold owner is Ann Williams.
6. The Tribunal has been informed that the Property comprises a substantial, early twentieth century, semi-detached house which has been converted into two self-contained flats.
7. On 28 April 2017, the applicants issued a Part 8 Claim at the County Court sitting at Willesden for an order pursuant to section 26(1) of the 1993 Act vesting the freehold interest in the Property in the applicants. The applicants have been unable to ascertain the whereabouts of the respondent and they were therefore unable to serve a notice on the respondent pursuant to section 13 of the 1993 Act.

8. The court order of 15 June 2017 vests the freehold interest in the Property in the applicants, subject to the determination by the Tribunal of the terms and form of the transfer and the appropriate sum to be paid into court.
9. In support of the application, the applicants rely upon the written valuation evidence prepared by Mr Simon Hanton BSc (Est. Man.) FRICS dated 14 November 2017, supplemented by an addendum dated 15 January 2018 which was prepared by Mr Hanton in response to a request by the Tribunal for further information.
10. Mr Hanton is of the view that the premium to be paid in respect of the freehold interest is £14,294 for the specified premises and the nominal sum of £100 for areas not demised.

### **The Determination**

11. The Tribunal accepts the opinions expressed by Mr Hanton save that:
  - (i) He states at paragraph 2.1 of the addendum to his report that he is following Sportelli and adopting a deferment rate of 5% but he has used a deferment rate of 6.5% in his calculations in respect of the ground rent. The Tribunal has applied a deferment rate of 5% in its valuation.
  - (ii) Whilst the Tribunal accepts Mr Hanton's use of a 5% deferment rate in respect of 'Reversion to CV on expiry', the Tribunal is of the view that applying the figure of 0.00667892 provides greater accuracy than rounding this figure up to 0.007. The Tribunal has applied 0.00667892 in its valuation.
  - (iii) On the very limited evidence available, the Tribunal is not satisfied that any areas not demised have a value. Accordingly, the Tribunal has not added the sum of £100 in respect of areas not demised.
12. The adjusted calculation has resulted in premium of £15,262. A copy of the Tribunal's valuation is attached to this decision.
13. Accordingly, the Tribunal determines that the premium to be paid in respect of the collective enfranchisement of 167 Melrose Avenue, Willesden Green, Cricklewood, London NW2 4NA is £15,262, to be apportioned such that £7,778 is payable by the lessee of the Ground Floor Flat and £7,484 is payable by the lessee of the First Floor Flat.

14. The Tribunal also approves the draft transfer which has been submitted by the applicants, subject to:
- (i) the insertion of the word " Flat" after the words " Ground Floor" in box 6;
  - (ii) in box 8, the deletion of the statement that the transferor has received a sum of money and the inclusion of a statement that the consideration (the premium in the sum of £15,262) has been paid into court.
  - (iii) the inclusion at paragraph 11 of the date of the court order; and
  - (iv) confirmation being sought as to the correct spelling of Mr Simonsen's surname (the Tribunal notes the minor difference between the spelling of his surname in the Office Copy Leasehold Title Register at page 109 of the bundle, which is repeated at page 134, and the spelling at page 131 of the bundle in box 5 of the draft proposed transfer).
15. This matter should now be returned to the County Court sitting at Willesden under Claim Number DO1W1920 in order for the final procedures to take place.

Judge Hawkes

14 February 2018

**First Floor, 167 Melrose Avenue**

**Valuation for lease extension**

Valuation Date			28/04/2017					
Lease Expiry			24/12/2119					
Unexpired Term			102.66	Years				
Capital Value Long Lease Value			£722,700	(At 99% FH VP)				
Capital Value FH VP			£730,000					
Ground rent	2.66	yr plus each 25 yrs	£100.00	£150.00	£225.00	£275.00	£325.00	
Capitalisation rate			6.50%					
Deferment rate			5.00%					
Compensation			£0					
Relativity			N/A					

**Diminuation of Landlord's interest**

Ground rent						£100		
YP	2.66	yrs @	6.50	%	<u>2.37283614</u>			
						£237		
Ground rent						£150		
YP	25.00	yrs @	6.50	%	12.1978767			
Deferred	2.66	yrs @	5.00	%	<u>0.87828702</u>			
						£1,607		
Ground rent						£225.00		
YP	25.00	yrs @	6.50	%	12.1978767			
Deferred	27.66	yrs @	5.00	%	<u>0.25936059</u>			
						£712		
Ground rent						£275.00		
YP	25.00	yrs @	6.50	%	12.1978767			
Deferred	52.66	yrs @	5.00	%	<u>0.07658990</u>			
						£257		
Ground rent						£325.00		
YP	25.00	yrs @	6.50	%	12.1978767			
Deferred	77.66	yrs @	5.00	%	<u>0.02261721</u>			
						£90		
						£2,903		
Reversion to FH VP on expiry						£730,000		
Deferred	102.66	yrs @	5.00	%	<u>0.00667892</u>			
						£4,876		
						<b>Premium</b>	<b>£7,778</b>	

**Ground Floor, 167 Melrose Avenue**

**Valuation for lease extension**

Valuation Date		28/04/2017						
Lease Expiry		24/12/2119						
Unexpired Term		102.66	Years					
			(At 99%					
Capital Value Long Lease Value		£679,140	FH VP)					
Capital Value FH VP		£686,000						
Ground rent	2.66	plus each 25 yrs	£100.00	£150.00	£225.00	£275.00	£325.00	
Capitalisation rate			6.50%					
Deferment rate			5.00%					
Compensation			£0					
Relativity			N/A					

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Deferred	2.66	yrs @ 5.00 %				<u>0.87828702</u>		
							£1,607	
Ground rent						£225.00		
YP	25.00	yrs @ 6.50 %				12.1978767		
Deferred	27.66	yrs @ 5.00 %				<u>0.25936059</u>		
							£712	
Ground rent						£275.00		
YP	25.00	yrs @ 6.50 %				12.1978767		
Deferred	52.66	yrs @ 5.00 %				<u>0.07658990</u>		
							£257	
Ground rent						£325.00		
YP	25.00	yrs @ 6.50 %				12.1978767		
Deferred	77.66	yrs @ 5.00 %				<u>0.02261721</u>		
							£90	
							£2,903	
Reversion to FH VP on expiry						£686,000		
Deferred	102.66	yrs @ 5.00 %				<u>0.00667892</u>		
							£4,582	
						<b>Premium</b>	<b>£7,484</b>	