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

Case Reference : **DD/LON/00AS/OCE/2013/0178**

Property : **164 Nestles Avenue, Hayes,
Middlesex UB3 4QF**

Applicants : **Clemency Ives
Brian Elson Prescod
Claudine Elson Prescod**

Representative : **CVS Solicitors**

Respondent : **Peter Shanti Romeo**

Representative : **None**

Type of application : **For the determination terms of
acquisition of the freehold.
Missing landlord.**

Tribunal members : **Margaret Wilson
Philip Tobin FRICS**

Date of determination : **1 October 2013**

DECISION

1. This is an application under section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") to determine the price to be paid for and other terms of acquisition of the freehold of 164 Nettles Avenue, Hayes. The property comprises two maisonettes, one on the ground floor and the other on the first floor. Each maisonette has one bedroom, a living room, bathroom and kitchen and a demised area of garden. Each is held on a lease for a term of 99 years from 25 December 1983 at an annual ground rent of, initially, £50, rising at 33 intervals to £75 and £100. The landlord cannot be found and by an order made on 13 August 2013 the county court transferred the claim to the Tribunal for a determination of the terms of acquisition of the freehold in accordance with sections 26 and 27 of the Act.

2. The applicant leaseholders have obtained a report from Colin Hurst MRICS of Colin Hurst and Partners, chartered surveyors. He has inspected the property which he describes as on a busy road and a short walk from Hayes and Harlington Railway station. He says that the property was built about 90 years ago as a single family house and converted into two maisonettes.

3. Mr Hurst concludes that each of the maisonettes have an extended lease value of £145,000. He has based those values on a number of comparable transactions relating to flats in the area, each of them with two bedrooms, but principally on the closest of them which is the sale of a first floor flat at 52 Nettles Avenue on 10 May 2012 for £162,000. That figure he adjusts upwards by 2.7% for market movement, based on Land Registry indices for Hounslow, Ealing and Hillingdon, which produces an adjusted price of £166,374 for each maisonette. That figure he then adjusts downwards in the light of his experience to £145,000 to allow for the fact that each maisonette has only one bedroom, giving a total price for the whole property of £290,000. To that figure he has added £2000 for the potential to add a rear extension, £2500 for the potential to add a loft conversion, and £250 for the potential to add a basement room or cellar, giving a total of £294,750 for the total long lease value of the property. To that sum he adds 1% to arrive at the freehold value, giving a total unimproved freehold value at the valuation date of £297,697.

4. He has taken February 2013 as his valuation date. The date of the application to the county court is the correct valuation date by virtue of section 27(1)(b) of the Act, and the application was made on 29 April 2013, but that makes no significant difference to the valuation. At the valuation date the unexpired term of each lease was approximately 69 years and Mr Hurst has adopted a relativity of 93% to arrive at his existing lease values, which we regard as fair, given that this property is at the low end of the market. We accept that the long lease values which he has taken are not unreasonable,

given the location and size of the property, and we accept his addition of 1% to arrive at the freehold value. He has applied a capitalisation rate of 7% to the ground rents. (Although he says that he has applied a capitalisation rate of 6% to the rents on review he has in fact applied a rate of 7% to the rents both before and after review.) He has applied a deferment rate of 5% which we accept.

5. We are therefore content with Mr Hurst's proposed price of £20,158 for the freehold and determine that that sum is the amount to be paid into court.

6. We are asked to approve the form of transfer. We are content with the draft form TR1 which has been submitted, save that by virtue of section 34(10) of the Act, it must contain a statement that it is executed for the purposes of Chapter 1 of Part 1 of the Act and, by virtue of paragraph 2(2)(b) of Schedule 7 to the Act, the transfer is to be expressed to be with limited title guarantee and not full guarantee.

Judge: Margaret Wilson

Date: 1 October 2013