



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

Case Reference : LON/00AM/OCE/2015/0341

Property : 183, Graham Road, London, E8 1PD

Applicants : Edward Peter Pennant-Rea
Joshua William Sherratt
Denise Sherratt

Representative : TWM Solicitors

Respondent : Eric Barnes

Representative : None (missing landlord)

Type of Application : S26 Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)

Tribunal Members : Mrs H C Bowers MSc MRICS
BSc(Econ)

**Date and venue of
Determination** : 1 March 2016 at 10 Alfred Place,
London WC1E 7LR

Date of Decision : 1 March 2016

DECISION

The Tribunal determines that the price payable for the enfranchisement of 183, Graham Road, London, E8 1PD (the subject property) shall be £13,750.

No sums are payable under section 27(5) of the Leasehold Reform, Housing and Urban Development Act 1993

REASONS

BACKGROUND

1. By an order made by District Judge Sterlini dated 16 October 2015 in the County Court at Clerkenwell & Shoreditch in claim number B02EC446 ("the Order") between the parties named on the front page of this decision, the matter was remitted to this Tribunal. The Tribunal was required to determine the sum payable for the collective enfranchisement of 183, Graham Road, London, E8 1PD (the subject property) pursuant to section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act"). Additionally the Tribunal is required to approve the form of the transfer.
2. The Tribunal had before it a bundle prepared by the Applicants' solicitors, which contained the Court papers. These papers included the Claim Form, the Order, copies of the freehold and various leasehold registers of title, the leases of the three flats. The freehold interest under title number LN12099 indicates that the interest is subject to three leases. The lease for Flat 1 (title number EGL348046) is for cellar, ground, and first floor flat is dated 17 May 1996. This lease is for a term of 125 years from 24 December 1995. The lease for Flat 2 (EGL348047) is for the first floor flat. This lease is dated 17 May 1996 and is for a term of 125 years from 24 December 1995. Finally, the lease for Flat 3 (title number EGL348051) is for the second floor flat. This lease is also dated 17 May 1996 and is for a term of 125 years from 24 December 1995.
3. In response to a request from the Tribunal a draft form of transfer was submitted on 1 March 2016.
4. In addition the Tribunal was provided with a copy of a report of Mr D Nesbit MSc MRICS dated 10 February 2016.
5. The valuation date under the current case would be the date of the issue of the Claim Form, and is stated to be 12 September 2015. The Tribunal has considered the papers and in particular the report of Mr Nesbit. The report adopts a capitalisation rate of 6%, a deferment rate of 5%. As all three leases had unexpired terms of more than 80 years, there is no marriage value in this case. It is suggested that the freehold value of Flat 1 is £740,000 and the capitalised ground rent is £2,784; the freehold value of Flat 2 is £350,000 and the capitalised ground rent is £1,089 and the freehold value of Flat 3 is £415,000 with the capitalised ground rent of £1,089. In total the calculated premium for the enfranchisement is £13,750.
6. The Tribunal comments on these submissions in the findings section below

FINDINGS.

7. In essence the Tribunal is prepared to adopt the capitalisation and deferment rates proposed. These seem appropriate given the reserved ground rent and the provisions of Sportelli as to deferment rates. The detailed calculations for the capitalisation of the ground rents have not been fully set out. However, the Tribunal has carried out a capitalisation of the ground rents and considers that Mr Nesbit has not undervalued this element.
8. As to the freehold interest in the three flats, Mr Nesbit provided three comparables on Graham Road with capital values ranging from £714 per sq ft to £1,092 per sq ft. It is noted that two of the flats are one-bedroom flats and the floor area of each flat has been provided. The freehold value of the three flats is within the range suggested by the comparable evidence. Once these figures are deferred using the 5% deferment rate, the calculations carried out by the Tribunal indicate that essentially Mr Nesbit has not undervalued these elements. Therefore taking the capitalised ground rents and the deferred freehold values into account, the Tribunal considers that the premium of £13,750 as proposed by Mr Nesbit is within an acceptable range. Therefore the Tribunal adopts the sum of £13,750 as the premium for the collective enfranchisement of the subject property.
9. The Tribunal is also required to determine any other sums payable under section 27(5) of the Act. There are no details as to whether any ground rent or service charges have been demanded. However, the Defendant landlord has not served any rent demands in the statutory form and so no arrears of rent are payable and no sum is therefore payable into court under section 27(5) of the Act.
10. In respect of the form of the draft Transfer, TR1, box 8 needs to be amended to reflect that the consideration for the property will not be paid to the transferor. Otherwise the TR1 form is approved.

Helen Bowers
Valuer Chair

1 March 2016

ANNEX - 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