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

Case Reference : **LON/OOAH/OCE/2018/0039**

Property : **70 Woodville Road Thornton Heath
Surrey CR7 8LJ**

Applicants : **Annette Lynne Jones**

Representative : **Ashley Wilson Solicitors LLP**

Respondent : **Margaret Kenny**

Representative : **None**

Type of Application : **Missing landlord
S26 of the Leasehold Reform,
Housing and Urban Development
Act 1993**

Tribunal Members : **Evelyn Flint DMS FRICS
Marina Krisko FRICS**

**Date and venue of
Hearing** : **4 April 2018
10 Alfred Place, London WC1E 7LR**

Date of Decision : **5 April 2018**

DECISION

Decision

1. The premium payable for the freehold interest is £ 22,075 (twenty two thousand and seventy five pounds).

Background

2. On 25 August 2017 the Applicants made an application to the Croydon County Court under Chapter I of Part I of the Leasehold Reform Housing and Urban Development Act 1993 ("the Act") seeking a vesting order under Section 26 and 27 of the Act providing for the transfer of the freehold interest in the property as the landlord cannot be found.
3. District Judge Bishop sitting at Croydon County Court on 17 November made an order under claim No. D02CR938 transferring the application to the Tribunal for determination of the terms of the conveyance and the appropriate sum to be paid into court for the interest to be vested in accordance with s26 of the Act.
4. The Tribunal issued Directions on 6 February 2018 providing for the case to be determined on the basis of documents alone and without an oral hearing.
5. The lower flat is held under a lease for 999 years from 18 March 1980 at a peppercorn.
6. The upper flat is held under a lease for 99 years from 17 December 1980 at £40pa. The unexpired term at the valuation date is 62.25 years.

Expert Evidence

7. The Tribunal considered an expert report dated 20 March 2018 of Stephen R Jones BA (Hons) MRICS of Leasehold Valuers. Woodville Road is a predominantly residential street linking the High Street with Buller Road. There are local shopping facilities in both the High Street and the southern end of Woodville Road. Croydon town centre is approximately two miles. There are rail and bus routes within ten minutes walk and a park nearby.
8. The property is a end terraced house built c1900 and converted into two flats. Access to the flats is via a communal entrance hall. The ground floor flat comprises two rooms, kitchen and bathroom/wc has exclusive. The upper flat comprises two rooms, kitchen and bathroom/wc. The garden is communal to both flats..
9. The schedule of comparable evidence referred to sales in August 2017 of four one bedroom flats in the locality.
10. 44 Woodville Road, a ground floor flat with front and rear gardens was sold on 25 August 2017 at £228,000 with an unexpired term of 67.75 years.

11. 4 Belle Vue Park, a ground floor flat with a private rear garden, sold 30 August 2017 for £250,000 with an unexpired term of 125 years.
12. 21 Grange Road, a lower ground floor flat with rear garden, sold 1 August 2017 for £250,000 with an unexpired term of 115 years.
13. 13 Grange Park Road, a ground floor flat with a rear garden, sold on 13 April 2017 for £227,000 with a share of the freehold. He adjusted the price to the valuation date using the Land Registry Index for flats, the adjusted price was £232,300.
14. Using the comparable evidence Mr Jones valued the extended lease and the freehold interest in the upper flat at £250,000.
15. Since there were no comparable sales of similar length short leases the relativity was arrived at by considering the RICS Greater London and England graph published in 2009 and took an average of the five sets of data relating to areas other than PCL to reach a relativity of 87.46%.
16. The capitalisation rate used was 6.5%. No evidence of any settlements was produced. The deferment rate adopted was 5% in line with the decision of the Lands Tribunal in Earl Cadogan and Cadogan Estates Ltd and others v Sportelli.
17. Marriage value is payable as there is less than 80 years unexpired at the relevant date.
18. A valuation was attached to the report indicating a value for the freehold of £22,075 no value was attributed to the lower flat owing to the length of the unexpired term of over 960 years at a peppercorn.

Decision

14. **Valuation date.** The valuation date is 25 August 2017, being the date of the application to the County Court.
15. **Capitalisation and Deferment Rate.** The Tribunal agrees that 6.5% is the appropriate capitalisation rate for the ground rent and that there is no reason to depart from the generic deferment rate for flats of 5%.
16. **Enfranchisement Price.** The Tribunal determines the premium at £22,075 in accordance with the report provided by Mr Jones.
17. **Terms of the Transfer.** The TR1 is approved providing Box 8 is amended and a note put in Box 11 to show that the premium has been paid into court.

Evelyn Flint
Chairman

5 April 2018

ANNEX 1 - 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.