



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

**Case Reference** : **NAT/LON/00BJ/OLR/2022/0700**

**HMCTS code (paper, Video, audio)** : **P:PAPERREMOTE**

**Property** : **Flat 1 , 23 Galveston Road,  
London, SW15 2RZ**

**Applicant** : **Claire Amy Russell and Thomas  
Norris Reading**

**Representative** : **TWM Solicitors LLP**

**Respondents** : **Zul Jamal Habib ( missing  
landlord)**

**Representative** : **Missing Landlord**

**Type of Application** : **Lease extension, Leasehold Reform  
Housing and Urban Development  
Act 1993 ( Missing Landlord)**

**Tribunal Member** : **Mr R Waterhouse BSc (Hons) LLM  
Property Law MA FRICS**

**Date of determination  
and venue:** **Remote Hearing on Papers - 2<sup>nd</sup>  
November 2022 amended 6<sup>th</sup>  
December 2022**

**Date of Decision:** **2<sup>nd</sup>  
November 2022.**

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## DECISION

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This has been a remote paper determination, which has been consented to by the parties. A face-to-face hearing was not held because it was not practicable and no one requested same.

The documents the Tribunal were referred to were in a bundle of some 151 pages.

### Summary of the tribunal's decision

- (1) The appropriate premium payable for the collective enfranchisement is £8,349.00 (Eight thousand three hundred and forty-nine one pounds.)**

### Background

1. This is an application made by the applicant qualifying tenants pursuant to section 50 (1) - (5) of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the premium to be paid for the **statutory lease extension of Ground Floor Flat 1, 23 Galveston Road, London, SW15 2RZ** collective enfranchisement of ~~94 Elgin Road, Ilford IG3 8LW. (the "property")~~ where the Landlord cannot be found.
2. By Order of the County Court at Central London dated 16 August 2022 it is ordered that
  1. Service of the Notice of Claim to a statutory Lease under Section 42 if the Act shall be dispensed with under Section 50(2) of the Act
  2. A new Lease of the Premises shall be vested in the Claimants pursuant to Section 50 (1) of the Act on such terms as may be determined by the Property Chamber, First Tier Tribunal to be appropriate with a view to the new Lease being granted to the Claimants in accordance with Sections 51 (1) of the Act.
  3. Upon the Claimant paying into Court all appropriate sums for the new Lease of the Premises there shall be executed a Lease of the Premises by this Court in favour of the Claimants in the form approved by the Property Chamber, First Tier Tribunal in accordance with Section 51 (3) of the Act.

4. The Defendant shall pay the Claimant's costs of the claim summarily assessed in the sum of £7,850.40 to be paid in accordance with paragraph 5.

5. Having complied with paragraph 3 of this Order, the Claimants shall be entitled to deduct from the sum paid into Court under paragraph 3 with no further order the aforesaid £7,850.40 in respect of costs of the claim.

### **The issues**

3. In the absence of the Landlord there are no matters agreed. The applicants have submitted a valuation report prepared by Mr I J Ailes BSc FRICS of Andrew Scott Roberston.

(a) The subject property is a Victorian building over two to three floors, subsequently converted into two self-contained flats. Construction is traditional brick elevation. The property is situated in a residential side road, between Putney and Wandsworth. East Putney underground station is approximately one third of a mile away.

There is a communal entrance lobby then the accommodation of the subject flat comprises;

Entrance lobby, steps down to basement coal cellar, living room, bedroom, shower room / WC and kitchen.

Outside there are shared gardens front and rear.

All main services are provided at the property.

(b) The valuation date is 29<sup>th</sup> December 2020. The unexpired term is 85.53 years and so there is no marriage value payable.

(c) The property is held on a lease dated 13<sup>th</sup> July 1981 for a term of 125 years, from that date with a ground rent of £80 doubling in 2047 and again in 2080.

The tribunal regards these matters as uncontroversial and they are supported by documents in the bundle. The tribunal will consider the evidence on the following matters:

(d) Capitalisation of ground rent:

(e) Deferment rate:

(f) Freehold value

(g) Loss of value of landlord's other land

(j) The premium payable.

### **The hearing**

5. The case was dealt with on the papers on 2<sup>nd</sup> November 2022 with the necessary documents provided in a bundle by the Applicant's representative.

6. The tribunal was not asked to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.

7. The applicant relied upon the expert report and valuation of Mr I J Ailes BSc FRICS of Andrew Scott Roberston dated 18<sup>th</sup> October 2022.

### **Capitalisation rate**

8. Mr I J Ailes considers that capitalisation rates 6.0% are normal. The rent is modest and the gap between reviews are considerable.

### **The tribunal's determination**

9. The tribunal determines that the rate to be used is 6.0%.

### **Reasons for the tribunal's determination**

10. The tribunal notes that a rate of 6.0% has been used in Mr I J Ailes BSc FRICS's experience and in the absence of any specific evidence to show that this should be varied in this case the tribunal will adopt this rate.

### **Deferment rate**

11. ~~Colin Horton~~ **Mr I J Ailes** applies the Sportelli rate of 5%

### **The tribunal's determination**

12. The tribunal determines that 5% is appropriate as the deferment rate.

### **Reasons for the tribunal's determination**

13. The tribunal sees no reason to depart from the Sportelli rate.

### **Freehold value**

14. ~~Colin Horton~~ **Mr I J Ailes** values the freehold interest of each flat at £435,000.

### **The tribunal's determination**

15. The tribunal determines that the reversionary value is supported by the evidence.

### **Reasons for the tribunal's determination**

16. The comparable evidence represented in the report supports these figures. The tribunal also supports the use of a 1% to uplift the long leasehold value to freehold value.

### **Loss of value of landlords any other land**

17. There is no evidence of any other land.

### **The premium**

18. The tribunal determines the appropriate premium to be £8349.00

19. A copy of the valuation is annexed to this decision.

### **Form of new lease**

20. A draft of the new lease is in the bundle at p 116.

### **Decision**

21. The tribunal accepts Mr I J Ailes valuation and determines that the appropriate premium for an extension of the lease is £ 8349.00

22. The tribunal approves the draft lease referred to a paragraph 20 above subject to;

Adding £8349.00 as the premium.

*Richard Waterhouse*

**Name: Mr R Waterhouse  
Valuer Chair**

**2<sup>nd</sup> November 2022  
amended 6<sup>th</sup> December  
2022**

#### **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 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 to 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 (ie 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**

<b>VALUATION DATE</b>	29-Dec-2020			<b>YIELD</b>	6.0%	
<b>LEASE START</b>	13-Jul-1981			<b>DEFERMENT</b>	5.00%	
<b>LEASE END</b>	12-Jul-2106			<b>EXTENDED LEASE</b>	<b>£435,000</b>	<b>UNIMPROVED</b>
<b>TERM</b>	125	YEARS		<b>F/H ADJ*</b>	1%	
<b>UNEXPIRED TERM</b>	85.53	YEARS		<b>FREEHOLD VALUE</b>	£439,394	
<b>REVIEW</b>	2047 & 2080			<b>RELATIVITY</b>	N/A	
<b>FREEHOLD INTEREST</b>				<b>£/PA</b>	<b>£</b>	<b>£</b>
<b>GROUND RENT</b>						
	29-Dec-20	TO	13-Jul-47	80.00		
YP	26.54	YRS	6.00%	13.1157		
					1,049.25	
	13-Jul-47	TO	13-Jul-80	160.00		
YP	33.00	YRS	6.0%	14.2205		
PV£1	26.54		6.0%	0.2130603		
	59.54			3.03		485.11
	13-Jul-80	TO	12-Jul-06	320.00		
YP	25.99	YRS	6.0%	13.0017		
PV£1	59.54		6.0%	0.0311428		
	85.53			0.40		
					129.57	
<b>TERM VALUE</b>					1,663.94	
<b>REVERSION TO OMV F/H*</b>				439,394		
PV£1	85.53	YRS	5.00%	0.0154		
					6,768.99	
<b>F/H CURRENT INTEREST</b>					8,432.92	
<b>LESS</b>						
<b>REVERSION TO FREEHOLD IN POSSESSION AFTER EXTENSION</b>				439,394		
PV£1	175.53	YRS	5.00%	0.0002		
					83.85	
<b>DIMINUTION IN VALUE OF FREEHOLDER'S INTEREST</b>				=		8,349
<b>CALCULATION OF MARRIAGE VALUE</b>						
<b>EXCLUDED</b>						0
<b>F/H'S COMPENSATION</b>				0.00		
PV£1	85.53	YRS	5.00%	0.0154		
						0
					<b>PREMIUM</b>	<b>8,349</b>
					<b>SAY</b>	<b>£8,349</b>

