

4379



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

Case Reference : LON/00BB/OCE/2016/0220

Property : 184-184A Burges Road, London E6
2BS

Applicant : Mr. B Odufona, Mrs A Perrott and
Mr. B Lazell

Representative : Mr. Matthew Dale-Harris, counsel
Mr. Wilson Dunsin FRICS (valuer)

Respondent : Mr. A Perry

Representative : Mr. Ryan Bridges BSc (Hons)
MIRPM (valuer)

Type of Application : Collective Enfranchisement

Tribunal Members : Judge LM Tagliavini
Mr. R Shaw FRICS

**Date and venue of
hearing** : 10 Alfred Place, London WC1E 7LR
13 December 2016

Date of Decision : 4 January 2017

DECISION

- (1) The tribunal determines that the following:
 - (i) The unimproved freehold value of the property is £180,000 (GFF) and £213,000 (FFF).
 - (ii) The premium payable for the subject premises is £39,855.00

The application

1. The Applicants seek a determination pursuant to section 24 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") as to the premium payable for the freehold of the subject property.

The hearing

2. A hearing was held to determine the issues remaining outstanding between the parties. Counsel Mr. Dale-Harris represented the Applicants. Mr. Wilson Dunsin provided valuation evidence in support of the Applicants' claim. The Respondent was represented by his valuer Mr. R Bridges, who also provided the tribunal with expert valuation evidence. The tribunal was provided with one documentary (agreed) bundle and the oral evidence of the parties' valuers.

The background

3. The property, which is the subject of this application, comprises two flats on the ground and first floors in a converted terraced Victorian house. A statutory notice pursuant to section 13 of the Act was served on 18 November 2015 and a counter-notice was served admitting the claim.
4. Neither party requested an inspection and the tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

The issues

5. A Statement of Agreed Facts was provided to the tribunal and recorded a deferment rate of 5%, a capitilisation rate of 7% and a relativity of 85.56%. The tribunal, therefore identified the remaining relevant issues for determination as follows:
 - (i) The unimproved freehold vacant possession value of the subject property

- (ii) The premium payable for the freehold acquisition of the subject property.

The Applicants' case

6. In his oral evidence to the tribunal Mr. Dunsin relied upon his report dated 25 October 2016. He contended for an unimproved freehold vacant possession value (UFVPV) for the one bedroom ground floor flat (GFF) of £180,000 and £210,000 (amended) for the two bedrooled first floor flat (FFF). He based his calculations on two comparables in respect of the GFF and four comparables for the FFF. In his report Mr. Dunsin stated that his valuation had been prepared using the direct comparison method of valuation appraisal and an analysis of relevant comparable evidence of similar property sales in the locality. Three of the comparables relied upon were used in common by the Respondent's valuer, namely 214A Burges Road, 41B Southend Road and 202A Burges Road.

The Respondent's case

7. In his oral evidence to the tribunal Mr. Bridges relied upon his report (undated) in which, he stated that his methodology was the consideration of comparable evidence of transactions of properties of a similar age, type and relative locality to the subject property when compared with other property transactions and the condition to be assumed.

The tribunal's decision and reasons.

8. Having considered all of the documents provided in addition to consideration of the oral evidence, the tribunal has made the following determinations.
9. The tribunal did not place any reliance on the comparable properties of 71A Sibley Grove and 91 Holland Road as not enough details were provided about these two properties including whether they concerned a house or a flat. Similarly, the property at 96A Caulfield Road did not provide the tribunal with assistance as it lacked details. The properties 168A Shakespeare Crescent, 71 Browning Road and 114 Phlshett Road were considered to be too far from the subject property to be of assistance.

10. The tribunal was assisted by the three comparable properties used in common by the parties' valuers although finds that the inclusion of 41B Southend Road that has an attic room was not helpful. The analysis of this is not straight forward as it is a larger flat and the area includes the attic room. The tribunal approves the 1% uplift from long lease value to freehold value as utilised by Mr. Dunsin. It is agreed that the first floor flat has been improved but both flats are valued as if in their original state; that is unimproved and unmodernised.
11. Mr Bridges provided a summary of his comparables but no analysis to assist the tribunal in accepting his opinion of the value of the two subject flats. On balance the tribunal preferred the evidence of Mr, Dunsin to that of Mr. Bridges where they differed as it found the former was more clearly explained and based on useful comparable evidence. The tribunal accepts Mr Dunsin's analysis of the ground floor flat comparables and his FHVP valuation of £180,000. As regards the first floor flat the tribunal places little reliance on the comparable evidence and analysis of 41B Southend Road and determines a FHVP value for the first floor flat at £213,000.
12. In conclusion the tribunal finds that the unimproved FHVP value of the subject property is £180,000 and £213,000 for the GFF and FFF flats respectively and the premium payable for the collective enfranchisement of the subject property is £39,855 as detailed in the attached valuation.

Signed: Judge LM Tagliavini

Dated: 02 January 2017

Appendix 1

COLLECTIVE ENFRANCHISEMENT VALUATION

184 and 184A Burges Road, London E6 2BS

Valuation Date 18 November 2015

Unexpired term 59.6 years

Capitalisation rate 7%

Deferment rate 5%

Relativity 85.56%

GF Flat 184 Unimproved FHVP value £180,000

FF Flat 184A Unimproved FHVP value £213,000

Total £393,000

Existing leases Value @ 85.56% £336,251

Diminution in value of Landlord's interest

Ground rent

Period 1	26.6 Years	£100		
	YP 26.6 years @ 7%	11.9236	1,192	
Period 2	33 years	150		
	YP 33 years @ 7%	12.7538		
	Deferred 26.6 years @ 7%	0.1653	316	
				1,508
Reversion				
Reversion 59.6 years		393,000		
	Deferred 59.6 years @ 5%	0.05459	21,454	
				22,962
Marriage Value				
Tenant's new interest		393,000		
Less				
Tenant's existing interest	336,251			
Landlord's existing interest	22,962			
		359,213		
			33,787	
			50%	16,893
				Premium
				39,855