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

Case Reference : **LON/OOAN/OCE/2012/0254**

Property : **11 Courthope Road, London NW3
2LE (the Property)**

Applicant : **Barbara Alice Conning (1) and
David Owen and Clarinda Still (2)**

Representative : **Comptons Solicitors and Andrew
Cohen MRICS**

Respondent : **The Estate of Spyros E Grapsas (1)
and Abdullah Younis (2)**

Representative : **Protopapas Solicitors for the First
Respondent only and Mr David
Cooper BA(Hons), BSc(Hons),
MRICS**

Type of Application : **S27 Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)**

Tribunal Members : **Mr A Dutton - Tribunal Judge
Mr N Maloney FRICS**

**Date and venue of
Determination** : **31st July 2013 at 10 Alfred Place,
London WC1E 7LR**

Date of Decision : **31st July 2013**

DECISION

The tribunal determines that the price payable for the freehold interest in the Property is £186,534 as set out in the Statement of Agreed Facts submitted by Mr Andrew Cohen (Mr Cohen) of Talbots Surveying Services Limited and Mr David Cooper (Mr Cooper) of David Cooper Associates and dated 17th July 2013

The terms of the transfer have been agreed

REASONS

BACKGROUND

1. This is an unusual case. The original freeholders were Mr Grapsas and Mr Younis. It seems that in 1998, according to the Particulars of Claim, Mr Younis murdered Mr Grapsas and was sent to prison for that offence. Mr Younis has been released from prison and his whereabouts is not known. Attempts to raise the interest of the personal representative of the late Mr Grapsas appeared to have been without reward and on 4th July 2012 the Willesden County Court, in claim number 2W100814, issued proceedings for a Vesting Order under section 26 of the Act.
2. On 13th September 2012 the Court ordered an amendment of the proceedings to include the Estate of Mr Grapsas and on 23rd November 2012, with the Estate being represented by Counsel, ordered that a Vesting Order be granted upon *“such terms as may be determined by a leasehold Valuation Tribunal to be appropriate with a view to the interest being vested in that person in like manner... and 1.2 in accordance with the following provisions of this Order.*
3. Paragraph 4 of this Order set out the requirements for the Tribunal to determine the appropriate terms of acquisition, approve the form of conveyance and determine the sum to paid into Court
4. The matter came before us for a paper determination on 31st July 2013, this having been agreed by the active parties, the Applicants and the First Respondent. We had before us a bundle prepared by the Applicant’s solicitors which contained the issued claim form, the application notice to the Court, witness statements with a number of exhibits, the Court’s orders, Mr Cohen’s and Mr Cooper’s valuation reports and the agreed Statement of facts and copies of the freehold and leasehold registers of title and the leases. In addition we were provided with a copy of the proposed draft transfer.
5. We have considered the papers before us and in particular the reports of Mr Cohen and Mr Cooper. It seems to us that although the two active parties have agreed terms it is nonetheless our responsibility to ensure that the interests of the missing landlord, Mr Younis, are protected.
6. Mr Cohen’s report, dated 25th April 2012 suggests that the premium payable is £140,196, being apportioned as to £96,155 to the ground floor flat and £44,041 to the first floor flat, (as set out on the valuation itself) which must be in error, given the respective sizes of the properties. We suspect it should be the other way round, as it is the body of his report. He refers to a capitalisation rate of 7%, but uses 8% in his valuation. He values the ground floor flat at £875,000 and the

first floor flat at £400,000, (again on the valuation) which is at odds with the body of his report which has the figures the other way round, and must be right. The unexpired term is recorded as 59.66 years. The relativity is suggested to be 83.5%.

7. Mr Cooper's report suggests a premium payable of £232,000. He also refers to a capitalisation rate of 7% and carried that forward into his valuation. As with Mr Cohen he adopts a deferment rate of 5%. As to extended lease values he suggests £668,000 for the ground floor flat and £1,150,000 for the upper property. He applies a relativity of 80% to leases with an unexpired term of 59.5 years.
8. The Statement of Agreed Facts contains the following matters
 - Valuation date 3rd July 2012. We in fact think it should be the date of issue, 4th July 2012, but it makes no difference.
 - The unexpired term of both flats is 59.47 years
 - The ground rent receivable is £50 per annum
 - The areas of the flats are agreed at 604 sq. feet for the ground floor property and 1,604 sq. feet for the upper property.
 - The capitalisation rate is agreed at 8%
 - The deferment rate is 5%
 - The value of the ground flat is £435,000 and the upper flat is £1,122,800
 - The relativity is 82%
 - The price to be paid for the freehold is £186,534

FINDINGS

9. We have considered the two reports. Our first view of Mr Cohen's was that, putting aside the errors in the correct allocation of the flat values set out in his valuation, not the report itself, his estimate for the upper flat at £875,000 was too low, even applying his suggested comparable square footage rate of £576. The flat is 1,000 feet or so bigger than the ground floor property. We do think that the valuation by Mr Cooper of the ground floor property at £688,000 seemed high, given that the only comparable evidence was contained in Mr Cohen's report and suggested a figure closer to the value he had suggested. We were also somewhat unsure why, both valuers having suggested a capitalisation rate of 7% in their reports, the agreed rate should be 8%. However, nothing rests on that.
10. The other elements of the valuation, as agreed between the parties, smooth out any concerns we might have had. There has been a move, we consider rightly so, on the extended lease values, the relativity percentage is reasonable and the deferment rate at 5% must be correct given recent rulings from the Upper Tribunal.
11. Accordingly, we agree the valuation put forward by both Mr Cohen and Mr Cooper as being appropriate within the provisions of section 27 of the Act. We are satisfied that the position of Mr Younis has been properly considered. The sum of £186,534 should be paid into Court to enable the matter to proceed. The order made by the Court on 8th March 2013 provides that 50% of this sum is due to the Estate of Mr Grapsas, subject to the deduction of costs, which must be resolved

between the two Defendants, for which permission to apply has been granted. The terms of the draft transfer have been agreed and we see no need to amend same.

Andrew Dutton - Tribunal Judge

31st July 2013