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

Case Reference : LON/OOAJ/OCE/2016/0065

Property : 44 Endsleigh Road, Ealing, London W13 0RE

Applicants : Stephanie Helen Okell and Janet Ruth Wilson

Representative : Ashfords LLP

Respondent : Martin Gerald Heanue (missing landlord)

Representative : None

Type of Application : Enfranchisement

Tribunal Members : Judge Robert Latham
Mr Neil Martindale FRICS

Date and venue of Hearing : Paper determination on 4 April 2016 at
10 Alfred Place, London WC1E 7LR

Date of Decision : 6 April 2016

DECISION

(1) The Tribunal determines that price to be paid into court in respect of purchase of the freehold of 44 Endsleigh Road, Ealing, London W13 0RE is £11,713.

(2) The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicants.

Background

1. On 18 February 2016, Deputy District Judge Hay, sitting at Brentford County Court, made an order pursuant to Section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") dispensing with the need to serve an Initial Notice as required by Section 13 of the Act. The Court further ordered that the matter be transferred to this Tribunal to determine the valuation and the terms upon which the Respondent's freehold interest in 44 Endsleigh Road, London, W13 0RE ("the premises") registered at HMLR under Title No. NGL159554 should vest in the Applicants pursuant to Section 27(1)(b) of the Act.

Evidence

2. We have been provided with a valuation report by Andrew Cohen MRICS dated 17 March 2016. He computes the premium to be £11,613, to which he adds a nominal development value of £100.
3. He has considered all elements of the valuation and provides a number of comparables. We accept his evidence.

Lease details

4. The Respondent missing landlord is the lessor of the premises which comprises:
 - (i) Flat 44B (Ground Floor Flat) leased by Stephanie Helen Okell for a term of 125 years from 25 December 1981 at a rent of £30pa for the first 25 years increasing to £60pa for the next 25 years; and to £125pa for the next 25 years and £250pa for the remainder of the term. There are some 91.18 years outstanding. The lease is in our bundle.
 - (ii) Flat 44A (First Floor Flat) leased by Janet Ruth Wilson for a term of 125 years from 25 December 1981 at a rent of £30pa for the first 25 years increasing to £60pa for the next 25 years; and to £125pa for the next 25 years and £250pa for the remainder of the term. There are some 91.18 years outstanding. The lease is also in our bundle.
5. Mr Cohen gives the following description of the two flats:
 - (i) Flat 44B (Ground Floor Flat): This consists of a hall, bedroom, lounge, kitchen and bathroom/wc. The gross internal floor area (GIA) is some 470 sq ft. This demise includes the front and rear gardens.
 - (ii) Flat 44A (First Floor Flat): On the first floor, there is a landing, bedroom, open plan lounge and kitchen and a bathroom/wc. There is a loft conversion on the second floor which consists of a bedroom. The loft conversion is a tenant's improvement which is to be disregarded for valuation purposes. The GIA, excluding the loft, is some 450 sq ft.

Valuation date

6. The valuation date is 26 October 2015, namely the date of the application to the Court (s.27 (1) (b)).

Hypothetical Freehold Value of each Flat

7. Mr Cohen has had regard to the following comparables:
 - (i) Ground Floor Flat at 136 Felix Road. This is a one bedroom flat with a rear garden which sold in December 2015 for £335,000 (see p.108). The flat is somewhat smaller at 384 sq ft.
 - (ii) 95A Felix Road. This is a one bedroom flat on the first floor with a loft. It sold in July 2015 for £291,000 (see p.108). No details are provided of the size of the flat. This comparable is therefore of limited assistance.
 - (iii) 3 Connaught Road. This is a one bedroom ground floor flat with a share of the freehold. It sold in September 2015 for £415,000. It is of a similar size to the subject flats, namely 452 sq ft.
 - (iv) 6a Connaught Road. This is a two bedroom ground floor garden flat with a share of the freehold. It sold for £426,000 in February 2015. A 4% adjustment must be made for time, using the land Registry flat price index for the London Borough of Ealing. The time adjusted figure is £443,000. It is somewhat larger at 586 sq ft.
 - (v) 28a Coldershaw Road. This is a one bedroom flat. It sold in August 2015 for £400,000. It is somewhat larger at 682 sq ft.
8. Mr Cohen assesses that the value of the flats with a share in the freehold, but ignoring tenants' improvements to be:

(i) Flat 44B (Ground Floor Flat): £400,000.

(ii) Flat 44A (First Floor Flat): £380,000.

9. There is a significant range between the comparables. We are satisfied that Mr Cohen's assessments are justified by the evidence to which he has regard. We see no reason to depart from these.

Capitalisation Rate

10. We are satisfied that 7%, the figure proposed by Mr Cohen, is the appropriate figure to adopt.

Deferment Rate

11. We approve the "Sportelli" rate of 5% for deferment which Mr Cohen has adopted.

Calculation of the Premium

12. We have checked Mr Cohen's calculation and confirm the premium payable to be £11,713. This includes the nominal development potential which Mr Cohen assesses at £100.

Robert Latham
Tribunal Judge

6 April 2016