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

Case Reference : **LON/00AP/OCE/2016/0073**

Property : **111 Mount Pleasant Road, London
N17 6TQ**

Applicants : **1. Herman Clifford Robinson
2. Eric Frempong**

Representative : **YVA Solicitors LLP**

Respondent : **David Butler**

Representative : **None**

Type of application : **To determine the terms on which
the freehold is to be acquired
where the landlord is missing**

Tribunal members : **Angus Andrew
Marina Krisko BSc (EstMan) FRICS**

Date of determination : **3 May 2016**

DECISION

1. This is an application under section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") to determine the price to be paid for and other terms of acquisition of the freehold of 111 Mount Pleasant Road, London N17 6TQ. The property comprises two flats: one on the ground floor and the other on the first floor. The front and rear gardens are included in the demise of the ground floor flat.

2. Both flats are held on leases for terms of 99 years from 24 June 1986 and both leases reserve ground rents of £100 per year.
3. The landlord could not be found and on 12 October 2015 the applicants issued proceedings in the County Court for an order dispensing with service of the claim notice. By an order made on 24 February 2016 Deputy District Judge Wright transferred the claim to this tribunal for a determination of the terms of acquisition of the freehold in accordance with sections 26 and 27 of the Act.
4. The applicant leaseholders rely on a valuation report prepared by Colin Rickard FRICS. When the matter first came before us on 6 April 2016 it was apparent that Mr Rickard's report was both inaccurate and also omitted relevant information about the comparable transactions on which he relies. By letter of 7 April 2016 we directed him to submit a revised valuation that was received by the tribunal on 20 April 2016. Although the revised valuation report leaves a great deal to be desired we are nevertheless satisfied that it is sufficient to enable us to complete our task.
5. Mr Rickard describes the property as being a converted Edwardian terraced house with a two storey back addition and with solid brick partly rendered external walls. The roof is in disrepair and Mr Rickard suggests that re-roofing is desirable. The original windows have been replaced with double glazed units. The first floor flat has two bedrooms and a gross internal area of 790 sq ft: the ground floor flat has one bedroom and a gross internal area 725 sq ft.
6. Mr Rickard's revised report gives 2 October 2015 as the valuation date. The correct valuation date is 12 October 2015 being the date of issue in the County Court. Nevertheless the mistake is immaterial and we accept his assumption that at the valuation date the leases had unexpired terms of 69.75 years.
7. Mr Rickard values a long leasehold interest in both flats at £320,000 and he has increased those values by 1% to give freehold values of £323,200. He bases those values on the sale of five local long leasehold flats that sold for between £320,000 and £350,000. Mr Rickard has not adjusted for time but his omission is more likely than not to benefit the respondent. We accept Mr Rickard's long leasehold valuations for each of two reasons. Firstly because all the comparable flats have two bedrooms whereas one of the subject flats has only one bedroom. Secondly because four of the comparable flats are described as being in good condition in contrast to the subject flats that will have to fund the cost of a new roof.
8. Mr Rickard adopts relativity of 92.23% to value the existing leasehold interest. That relativity is based on an average of four of the five relativity graphs in the Greater London and England section of the October 2009 RICS Research Report. We agree that the omission of the Becket and Kay mortgage dependant graph is appropriate because

it is based primarily on central London properties and Tottenham is not in central London. Although Mr Rickard misstates the Nesbitt and Co relativity at 85% rather than 91% he has nevertheless correctly calculated the average relativity at 92.23%.

9. We agree with Mr Rickard's deferment rate of 5% which is consistent with *Earl Cadogan v Sportelli* [20017]. Equally we accept his capitalisation rate of 7% that is within generally accepted parameters having regard to the reserved ground rents.
10. Consequently we approve and adopt Mr Rickard's valuation and we determine the price to be paid for the freehold interest in the property at £36,600.
11. We are asked to approve the form of transfer at pages 109 to 111 of the document bundle. It is with limited title guarantee as required by paragraph 2(2)(b) of Schedule 7 to the Act and it contains the statement required by section 34(10) of the Act. We are content with the draft from.

Name: Angus Andrew

Date: 3 May 2016