



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

Case Reference : LON/OOBJ/OLR/2016/1415

Property : 114 Mellison Road London SW17
9AY

Applicants : Mr Desmond Patrick Blade

Representative : Cavendish Legal Group

Respondent : Mr Luis Sanchez and Mr John
Sanchez

Representative : None

Type of Application : Missing landlord
S50 and 51 of the Leasehold
Reform, Housing and Urban
Development Act 1993

Tribunal Members : Evelyn Flint DMS FRICS

**Date and venue of
Hearing** : 18 October 2016
10 Alfred Place, London WC1E 7LR
Determination without an oral
hearing in accordance with the
procedure in regulation 13 of the
Leasehold Valuation Tribunals
(Procedure)
(England) Regulations 2003

Date of Decision : 18 October 2016

DECISION

Decision

1. The premium payable is £58150. The terms of the lease are approved. The case is remitted to the Wandsworth County Court to give effect to the Vesting Order (CooWT289).

Background

2. This case relates to an application made under section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 (as amended) for a determination of the price to be paid for a statutory lease extension of a flat, where the landlord is missing. The application was made in the Wandsworth County Court on 8 March 2016. The case was transferred to this Tribunal to determine the price and terms of the lease by a Vesting Order of Deputy District Judge Paul dated 26 August 2016 under section 50(1) of the Act providing for the surrender of the Claimant's lease and the granting of a new lease as if a valid notice under Section 42 of the Act had been served.
3. The Tribunal issued Directions on 8 September 2016 and considered the matter on 18 October 2016.
4. Ms Genevieve Mariner B Sc (Hons) FRICS of Strettons Chartered Surveyors was instructed to prepare a report and valuation relating to the lease extension. She confirmed that her evidence complied with the Code of Practice for Experts and that he recognised that he owed his primary duty to the Tribunal.

Evidence

5. The Tribunal considered the valuation report of Ms Mariner dated 3 October 2016.
6. The property is located on the north side of Mellison Road at its junction with Woodbury Street in a predominantly residential area. Secondary shopping facilities are within approximately half a mile. As is Tooting Broadway underground station and buses are available in Tooting High Street
7. The subject property is a first floor purpose built flat in a two storey Victorian end terrace of traditional construction with a pitched roof. The accommodation comprises a reception room, a double and single bedroom, boxroom, kitchen and bathroom/wc. Access to the loft is available from within the flat. There is a very small rear garden/yard with an unused external wc.

8. The windows are timber framed single glazed sashes and casements. Ceilings and walls are plastered and painted. The kitchen comprises modern fitted units with laminate top, tiled splashbacks and freestanding appliances. The bathroom comprises an enamel bath with overhead shower fitting, basin and wc. The flat is in reasonable condition. Heating and hot water are provided by a combination boiler. It is assumed that there are no tenant's improvements.
9. The flat is subject to a lease for a term of 99 years from 29 September 1972 at £0 pa throughout the term; the unexpired term at the valuation date is 55.56 years. The lease is on the usual full repairing and insuring terms.
10. Ms Mariner adopted a capitalisation rate of 8% because the ground rent is fixed throughout the term and a deferment rate of 5% based on the Sportelli decision.
11. Ms Mariner relied on the following sales of flats nearby to arrive at the value of the extended lease.
12. 64 Mellison Road has a similar layout to the subject property. It was sold in October 2015 for £482,000 with 84 years unexpired. Adjusting using the Land registry Index gives a value of £489,000 in March 2016. which was rounded down to £485,000 to reflect the smaller garden at the subject premises.
13. 90 Mellison Road is a similar first floor flat with a similar sized garden to the subject premises. It is under offer at £500,000 with a share of the freehold. Indexed to March 2016 this shows a value of £483,000.
14. 48 Woodbury Street is the side road by the subject property. The first floor flat has a similar layout to the subject premises but is smaller and was advertised as in need of modernisation. It was sold in October 2015 for £400,000, adjusting for time reflects a price of £406,000, £50,000 for modernisation and for size reflects a comparable value of £480,000.
15. Based on the comparable evidence Ms Mariner adopted £485,000 as the value of the long lease value of the subject property as at March 2016.
16. Ms Mariner has adopted a 1% uplift to reflect a freehold (reversionary) interest. The value of the flat to the freeholder is arguably marginally more than it would be to the owner occupier as there are no additional outgoings or requirements to obtain permissions or consents.

17. As there was no evidence of short leasehold values therefore Ms Mariner derived the value by taking into account the RICS research "Leasehold reform: Graphs of Relativity", for Outer London and the Rest of England which gave an average relativity of 81.86% based on the following relativities: South East Leasehold 85.56%; Nesbitt & Company 80.34%; Austin Gray 80.82%; Andrew Pridell Associates 82.89% and Beckett & Kay 79.69%.
18. Her valuation was appended to the report and produced a premium of £58,148 rounded to £58,150.

Decision

19. **Valuation date.** The valuation date has been correctly identified in the report as the date of the application to the court 8 March 2016 2016.
20. **Valuation of the extended lease.** The best comparables are those located closest to the subject premises, all are within a short distance. The tribunal accepts the value proposed of £485,000.
21. **Valuation of existing lease.** The tribunal accepts the evidence and valuation of £400,991.
22. **Capitalisation and Deferment Rate.** The Tribunal accepts both the capitalisation rate of 8% and deferment rate of 5%.
23. **Enfranchisement Price.** The Tribunal determines the premium to be paid at £58,150 in accordance with the valuation attached to Ms mariner's report.
24. **Terms of the lease.** The terms are approved.

Evelyn Flint
Chairman

18 October 2016

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 Tribunal 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 for 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 (i.e. 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.