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

Case Reference : LON/00AN/OCE/2017/0146

Property : 25 Dawes Road, London SW6 7DT

Applicants : Mr M Stephens and
Ms O MacDonald

Representative : Perfectly Legal LLP

Respondent : Mr J Brice

Representative : None

Type of Application : Section 26 of the Leasehold
Reform, Housing and Urban
Development Act 1993

Tribunal Members : Judge J E Guest and
Mrs H C Bowers MSc MRICS
BSc(Econ)

Date of Determination : 25/07/2017

Date of Decision : 02/08/2017

DECISION

1. The Tribunal determines that the price payable for the collective enfranchisement of 25 Dawes Road, London SW6 7DT shall be £26,726.00.
 2. No other sums are payable under section 27(5) of the Leasehold Reform, Housing and Urban Development Act 1993.
 3. The TR1 form is approved subject to the amendments stated in paragraph 13 of the reasons for this decision.
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REASONS FOR DECISION

1. On 06/06/2017, Deputy District Judge Paul sitting at Wandsworth County Court ordered that the claim (no. D00WT263) be transferred to this Tribunal to determine the terms on which the freehold interest of 25 Dawes Road, London SW6 7DT shall become vested pursuant to section 27(5) of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”).
2. 25 Dawes Road (“the property”) consists of three flats, Flat A (lower ground floor), Flat B (raised ground floor) and Flat C (1st and 2nd floors). The leases for each flat are for a term of 125 years commencing on 19/03/1984.
3. The Tribunal considered a bundle of documents prepared by the Applicants’ solicitors containing: the claim form issued on 16/02/2017; a witness statement of the Applicants’ solicitors dated 16/01/2017; the order made on 06/06/2017; the valuation report of the Applicants’ surveyor, Terence Firrell, dated 11/07/2017 with exhibits “TW1” to “TW10”; the official copy entry for the freehold title of property; the official copy entries for the leasehold titles for Flats A, B and C; a specimen lease and plan; a draft transfer; and a table of other information.
4. Mr Firrell’s report includes a description of the property, the flats and exhibits a photograph of the building. According to Mr Firrell’s report, the property is an end of terrace house of brick construction converted into three flats. Mr Firrell estimates that the property was built in about 1890.
5. Flat A consists of a front reception room, a bathroom/wc, a kitchen, a rear large bedroom and a rear small bedroom (with a gross internal floor area of 523 feet²) and exclusive use of a rear garden (240 ft²). Flat B contains a front reception room/open plan kitchen, a bathroom/wc, a rear large bedroom and a small rear bedroom (508 ft²). Flat C consists of a front reception room, kitchen, bathroom/wc and a rear bedroom on the first floor and the second floor (situated in the roof space) contains a large bedroom with an en suite bathroom/wc (825 ft²).
6. Mr Firrell’s report sets out the ground rents for the flats as £50 pa for the 1st 40 years, £100 pa for the 2nd 40 years and £200 pa for the residue of the term. Mr Firrell uses a capitalisation rate of 6%, which the Tribunal considered appropriate.
7. As regards the reversionary interest, Mr Firrell put forward valuations in respect of 6 flats all situated on Dawes Road and provided photographs of each comparable. The comparables are:

- 7.1 46A Dawes Road (a leasehold property with a term of 999 years from 25/03/1985) sold on 07/07/2016 for £675,000. This is described as a two bedroom duplex unit on the lower ground and ground floor with a GIA of 833 ft².
- 7.2 39B Dawes Road (a leasehold property with a term of 999 years from 10/08/2016 with a share of freehold) sold on 10/08/2016 for £494,950. This is described as a one bedroom ground floor unit with a GIA of 440 ft².
- 7.3 Top floor flat, 30 Dawes Road (a leasehold property with a term of 999 years from 25/03/1974 with a share of freehold) sold on 07/09/2016 for £450,000, which Mr Firrell considered had a similar GIA to the above.
- 7.4 190A Dawes Road (a leasehold property with a term of 189 years from 31/03/1981) sold on 31/03/2017 for £605,000. This is described as a three bedroom duplex unit located on the first and second floors with a GIA of 867 ft². The photograph shows that commercial premises, namely a betting shop, are situated on the ground floor.
- 7.5 192A Dawes Road (a leasehold property with a term of 999 years from 25/03/1974) sold on 17/03/2017 for £750,000. This is described as a three bedroom duplex unit located on the first and second floors. The photograph shows that commercial premises, also a betting shop, are situated on the ground floor.
- 7.6 50 Dawes Road (a leasehold property with a term of 125 years from 01/01/1995) sold on 16/05/2017 for £1,075,000. This is described as a three bedroom duplex unit located on the first and second floors. The photograph shows that commercial premises, namely shop or offices, are located on the ground floor.
8. Mr Firrell explained in his report that he considers the most reliable comparable evidence to be the sales in relation to 30, 39, 46 and 50 Dawes Road where prices range between the equivalent of £878 to £1,220 per foot². Mr Firrell notes in particular that the leases in respect of 30, 39 and 46 Dawes Road were for terms of 999 years, which he equates to virtually the freehold values.
9. The Tribunal agreed with Mr Firrell's analysis of the comparable evidence, save that the relevant date for valuation is the date the application was made (see section 27(1)(b) of the Act) and not the date of the referral to the Tribunal.
10. On the basis of comparable evidence, Mr Firrell values Flat A at £627,600 (equating to £1,200 per foot²), Flat B at £558,800 (equating to £1,100 per foot²) and Flat C at £783,750 (equating to £950 per foot²).

11. The Tribunal accepted the valuations above apart from adjustments being necessary to reflect the valuations as at the correct effective date.
12. The Tribunal agreed that there was no reason to depart from the *Sportelli* deferment rate of 5%, as proposed by Mr Firrell. The Tribunal also agreed that marriage value should not be included given that the leases have unexpired terms of 91 years.
13. The Tribunal's calculation, having made the adjustments so as to value the property as at the correct date, is shown in the Appendix to this decision. The total premium payable on the enfranchisement for the property is £26,726.00.
14. The Tribunal is also required to determine any other sums payable under section 27(5) of the Act. There is no evidence that there has been any demand for ground rent. If the Respondent has not served any rent demands in the statutory form, no arrears of rent are due so no sum is payable into court under section 27(5) of the Act.
15. The following amendments must be made to the TR1 form:
 - 13.1 As this case concerns a missing landlord, the transferor must transfer with limited title guarantee (see box (9)).
 - 13.2 In order to comply with section 34(10) of the Act and the Land Registration Rules 2003, the following wording must be included in box 11, "*This conveyance [or transfer] is executed for the purposes of Chapter I of Part I of the Leasehold Reform, Housing and Urban Development Act 1993*".

Signed: J Guest

Dated: 02/08/2017

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.

APPENDIX

25A Dawes Road, London SW6 7DT

Long Lease Value (Unimproved)	£627,600
Freehold Value (Unimproved)	£633,876
Deferment Rate	5%
Capitalisation Rate	6.00%

Freeholder's Present Interest

Term 1

Term		
Rent Reserved	£50	
YP to 7 years at 6.0 %	<u>5.5824</u>	
		£279

Term 2

Term		
Rent Reserved	£100	
YP to 40 years @ 6.0 %	15.0463	
PV of £1 for 7 years @ 6.0%	<u>0.6651</u>	
	10.00665	£1,001

Term 3

Term		
Rent Reserved	£200	
YP to 45 years a@6.0 %	15.4558	
PV of £1 for 7 years @ 6.0%	<u>0.0647</u>	
	0.99935	£200

FH reversion	£633,876	
PV of £1 in 92 years @ 5%	<u>0.0112</u>	
		<u>£7,099</u>

£8,579

**25B Dawes Road, London
SW6 7DT**

Long Lease Value (Unimproved)	£558,800
Freehold Value (Unimproved)	£564,388
Deferment Rate	5%
Capitalisation Rate	6.00%

**Freeholder's Present
Interest**

Term 1

Term		
Rent Reserved	£50	
YP to 7 years at 6.0 %	<u>5.5824</u>	
		£279

Term 2

Term		
Rent Reserved	£100	
YP to 40 years @ 6.0 %	15.0463	
PV of £1 for 7 years @ 6.0%	<u>0.6651</u>	
	10.00665	£1,001

Term 3

Term		
Rent Reserved	£200	
YP to 45 years @ 6.0 %	15.4558	
PV of £1 for 7 years @ 6.0%	<u>0.0647</u>	
	0.99935	£200

FH reversion	£564,388	
PV of £1 in 92 years @ 5%	<u>0.0112</u>	
		<u>£6,321</u>

£7,801

**25C Dawes Road, London
SW6 7DT**

Long Lease Value (Unimproved)	£783,750
Freehold Value (Unimproved)	£791,588
Deferment Rate	5%
Capitalisation Rate	6.00%

Freeholder's Present Interest

Term 1

Term		
Rent Reserved	£50	
YP to 7 years at 6.0 %	<u>5.5824</u>	
		£279

Term 2

Term		
Rent Reserved	£100	
YP to 40 years @ 6.0 %	15.0463	
PV of £1 for 7 years @ 6.0%	<u>0.6651</u>	
	10.00665	£1,001

Term 3

Term		
Rent Reserved	£200	
YP to 45 years a@6.0 %	15.4558	
PV of £1 for 7 years @ 6.0%	<u>0.0647</u>	
	0.99935	£200

FH reversion	£791,588	
PV of £1 in 92 years @ 5%	<u>0.0112</u>	
		<u>£8,866</u>
		£10,346

**25 Dawes Road, London,
SW6 7DT**

25A	£8,579
25B	£7,801
25C	<u>£10,346</u>
Total Premium	£26,726