



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

<b>Case reference</b>	:	<b>LON/00AZ/OCE/2017/0061</b>
<b>Property</b>	:	<b>14 Bovill Road, London SE23 1HA</b>
<b>Applicant</b>	:	<b>(1) Gurcan Ozyigit (2) Katherine Jane Taylor (3) Steven John Burch (4) Nicola Ann Burch &amp; (5) Natalie Emma Louise Burch</b>
<b>Representative</b>	:	<b>Anthony Gold solicitors</b>
<b>Respondent</b>	:	<b>Moira Hanly</b>
<b>Representative</b>	:	<b>None (missing)</b>
<b>Type of application</b>	:	<b>Sections 26 &amp; 27 of the Leasehold Reform, Housing and Urban Development Act 1993</b>
<b>Tribunal members</b>	:	<b>Judge Timothy Powell Duncan Jagger MRICS</b>
<b>Date of determination and venue</b>	:	<b>25 April 2017 at 10 Alfred Place, London WC1E 7LR</b>
<b>Date of decision</b>	:	<b>25 April 2017</b>

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**DECISION**

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**Background**

1. The applicants are the long leaseholders of the two flats in a converted house at 14 Bovill Road, London SE23 1HA ("the premises"), the first and second applicants being leaseholders of the Ground Floor Flat and the third, fourth and fifth applicants being leaseholders of the Upper Floor Flat.

2. The applicants wish to acquire the freehold of the premises under the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act"), but it appears that the freeholder cannot be found.
3. On 3 March 2017, Deputy District Judge Ostroff, sitting at the County Court at Lambeth in claim number C01LB267, made an order pursuant to section 26(1) of the Act that the freehold interest in the premises shall be transferred to the applicants, on payment into the Court Funds Office of the appropriate price as determined by the Tribunal (less legal costs, as provided for).
4. The premises comprise a former single dwelling terrace house that has been converted into two self-contained flats. The house was probably built about 110 years ago and it is assumed that the conversion was undertaken in about 1991/2, shortly before the lease to the Upper Flat was created. The premises appear to be typical of its age and of this road; and the surrounding roads all comprise similar properties, some of which have also been converted to flats.
5. The first and second applicants hold a lease to the Ground Floor Flat dated 14 December 2005, for 125 years from that date at an initial ground rent for the first 33 years of £200 per annum, rising to £300 per annum for the next 33 years, £400 per annum for the next 33 years, and £500 for the remainder of the term.
6. The third, fourth and fifth applicants hold a lease to the Upper Floor Flat dated 1 May 1992, for 125 years from 29 December 1991 at an initial ground rent for the first 33 years of £100 per annum, rising to £200 per annum for the next 33 years, £300 per annum for the next 33 years, and £400 for the remainder of the term.
7. The applicants' solicitors have provided a detailed bundle of relevant documents to enable the Tribunal to determine the appropriate price for the freehold interest on the papers, without a hearing.
8. In relation to the premium to be paid, the applicants rely upon the expert opinion of Mr David Robson MA(Oxon) MSc MRICS of Robsons Chartered Surveyors. His very comprehensive and clear report is dated 10 April 2017 and concludes that the premium payable should be £12,795 as at the valuation date (which is the 2 June 2016, being the date of issue of the county court proceedings).
9. The Tribunal accepts Mr Robson's assessment. His report contains five comparable properties, two of which are in the same road and three of which are in nearby, adjoining roads. Their sale values range from £430,000 to £496,000.

10. The two comparables in Bovill Road, both being first floor flats in a mid-terrace house, are of a very similar configuration and condition. The sale of 21b Bovill Road completed on 31 March 2016 at £430,000, while the sale of 24b Bovill Road completed on 30 September 2016 at £449,950. When adjusted for time, their adjusted values were £442,680 and £443,930, respectively, leading Mr Robson to conclude that the long lease value of the Upper Flat at 14 Bovill Road should be in the region of £440,000.
11. The sales of the ground floor flat comparables, at 19a Gabriel Street, 7 Agnew Road and 1a Wyleu Road, completed in June, September and December 2016, respectively. When adjusted for time, their adjusted values were £496,000, £485,910 and £489,810, leading Mr Robson to conclude that the long lease value of the Ground Flat at 14 Bovill Road should be in the region of £490,000.
12. Mr Robson adopts a capitalisation rate of 7% and relativity of 5%, both of which are standard; and there is no marriage value payable.
13. The Tribunal accepts the valuation parameters submitted by Mr Robson in his expert valuation and approves his valuation calculation, which is attached to this decision. In the circumstances, the Tribunal determines the amount of the premium is **£12,795**.

**Name:** Timothy Powell



**Date:** 25 April 2017

**Attached:** Approved valuation

## Calculation for the Value of the Freehold

14 BOVILL ROAD, LONDON, SE23 1HA

Assessment of the price to be paid for the freehold interest in accordance with Schedule 6 of the Leasehold Reform, Housing and Urban Development Act, 1993, as amended by the Housing Act, 1996 and the Commonhold and Leasehold Reform Act, 2002.

**A. VALUE OF FREEHOLDER'S INTEREST**

A1 Ground Rents Receivable:

**Participating Flat(s):****LOWER FLAT**

22.53 years @ £200 X 1	£200		
YP 22.53yrs @ 7%	11.1748		
		£2,235	
33 years @ £300 X 1	£300		
YP 33yrs, deferred 22.53yrs @ 7%	2.7773		
		£833	
33 years @ £400 X 1	£400		
YP 33yrs, deferred 55.53yrs @ 7%	0.2978		
		£119	
26 years @ £500 X 1	£500		
YP 26yrs, deferred 88.53yrs @ 7%	0.0296		
		£15	
			£3,202

**UPPER FLAT**

8.57 years @ £100 X 1	£100		
YP 8.57yrs @ 7%	6.2858		
		£629	
33 years @ £200 X 1	£200		
YP 33yrs, deferred 8.57yrs @ 7%	7.1420		
		£1,428	
33 years @ £300 X 1	£300		
YP 33yrs, deferred 41.57yrs @ 7%	0.7659		
		£230	
26 years @ £400 X 1	£400		
YP 26yrs, deferred 74.57yrs @ 7%	0.0762		
		£30	
			£2,317
Total for Participators:			£5,519

A2 Reversion to vacant possession:

Unimproved value with 999 year leases/  
share of virtual freehold.

**Participating flats:**

LOWER FLAT: £445,000 x 1:	£445,000		
PV of £1 in 114.53years @ 5%		0.0037	
			£1,664
UPPER FLAT: £495,000 x 1:	£495,000		
PV of £1 in 100.57years @ 5%		0.0074	
			£3,658

**Non-participating flats:**

Value of freehold thus:			
LOWER FLAT	£4,866		
UPPER FLAT	£5,975		
			£10,842

**B. CALCULATION OF MARRIAGE VALUE  
(2 participating flats):**

Unimproved value of proposed interests with  
999 year leases/share of freehold  
(at 100% of freehold)

£0

LESS

Freehold interest in Flats

£0

Current Leasehold

£0

Marriage Value thus:

£0

50% attributable to Freeholder:

£0

**C. OTHER COMPENSATION/LOSS  
PAYABLE TO FREEHOLDER**

£0

**Development Loss for Upper Flat**

Paragraph 3

Additional value less costs:	£25,000
50% adjustment for planning risk:	£12,500
PV £1 in 100.57 years @ 5%	0.0074

£92

Paragraph 4

Additional value less costs:	£25,000	
50% adjustment for planning risk:	£12,500	
Less FH interest in reversion:	£12,408	
15% Development Hope Value attributable to Freeholder:		£1,861
		£1,953
<b>TOTAL:</b>		<b>£12,795</b>