

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference	:	NAT/LON/00AJ/OCE/2020/0050
Property	:	110 and 110A Darwin Road, Ealing, London W5 4BH
Applicants	:	Deborah Saville Fiona Mary Prendergast
Representative	:	JPC Law
Respondent	:	Mohammed Abdalqadir Siddiq
Representative	:	Not applicable (missing landlord)
Type of application	:	Application under sections 26 and 27 of the Leasehold Reform Housing and Urban Development Act 1993
Tribunal member	:	Ian B Holdsworth MSc FRICS
Venue	:	10 Alfred Place, London WC1E 7LR
Date of paper determination	:	6 May 2020

DECISION

This has been a remote hearing on the papers which has been not objected to by the parties. A face to face hearing was not held because all issues could be determined on paper. The documents referred to in this decision are in a submitted bundle of 193 pages, the contents of which are noted.

Decisions of the Tribunal

- (1) The Tribunal determines that the price to be paid by the applicant for the freehold interest is \pounds 1,100.
- (2) The terms of the draft transfer are provided for in paragraph 10 below.

The Background

- 1. This is an application under section 26 of the Leasehold Reform Housing and Urban Development Act 1993 ("the 1993 Act") pursuant to an order made by HH Judge Parfitt, sitting at the County Court at Central London on 11 March 2020.
- 2. Section 26(1) of the 1993 Act concerns claims for collective enfranchisement where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
- 3. Under section 27 of the 1993 Act, the role of the Tribunal is to determine the appropriate sum to be paid into court in respect of the landlord's interests and also to approve the form and terms of the proposed transfer. The applicants in this matter are Deborah Saville and Fiona Mary Prendergast. They are the qualifying tenants of two flats, namely, flats 110 and 110A at Darwin Road, Ealing, London W5 4BH ("**the Property**"). The respondent freehold owner is Mohammed Abdalqadir Siddiq.
- 4. On 8 July 2019, the applicants issued a Part 8 Claim at the County Court at Central London for an order pursuant to section 26(1) of the 1993 Act vesting the freehold interest in the Property in the applicants. The applicants have been unable to ascertain the whereabouts of the respondents and were therefore unable to serve a notice on them pursuant to section 13 of the 1993 Act.
- 5. The applicants have provided the Tribunal with a valuation report prepared by Mr J D Mellor Dip Surv Prac dated 31 March 2020.
- 6. Mr Lester is of the view that the premium to be paid for the freehold interest is \pounds 940 as at the valuation date of 11 March 2020.

The Determination

- 7. The Tribunal accepts the opinions expressed by Mr Mellor in his valuation report dated 31 March 2020 save that:
 - (i) The unexpired term is 949.46 years at the date of valuation.

- (ii) In respect of the valuation date this should be 8 July 2019, the date the Part Claim was made by the applicants to the County Court and not 11 March 2020 as adopted by Mr Mellor. This correction to the statutory valuation date has no material effect on the value of the premium payable given the approximate 949 year unexpired term and long dated reversion.
- (iii) The tribunal considers the 7% capitalisation rate adopted by the Expert to calculate the value of the freeholders ground rent revenue does not adequately reflect the security of the income. The tribunal adopts a capitalisation rate of 6% in perpetuity.
- 8. The adjusted calculation has resulted in premium of £1,099. A copy of the Tribunal's valuation is attached to this decision.
- 9. Accordingly, the Tribunal determines that the premium to be paid in respect of the collective enfranchisement of 110 and 110A at Darwin Road, Ealing, London W5 4BH is £1,100.
- 10. The Tribunal also approves the draft transfer which has been submitted by the applicant, subject to the inclusion in box 8 that the consideration (the premium of \pounds 1,100) has been paid into court.
- 11. This matter should now be returned to the County Court sitting at Central London under Claim Number FO2CL234 in order for the final procedures to take place.

Ian Holdsworth Valuer Chairman

6 May 2020

NAT/LON/00AJ/OCE/2020/0050					
Property: 110 and 110A Darwin Road Ealing Lo	ndon		-		
Lease and Valuation Data					
Lease Term commencement:	25/12/1978				
Lease Expiry date:	24/12/2968				
Unexpired term as at valuation date for flat 110:	949.46	years			
Lease Term commencement:	25/12/1969				
Lease Expiry date:	24/12/2968				
Unexpired term as at valuation date flat 110A:	949.46	years			
Date of Valuation	08/07/2019				
Total rent receivable by landlord:					
Payable from valuation date for 949.46 years	£ 50				
Payable from valuation date for 949.46 years	£ 16				
Annual rent receiveable in perpetuity	£ 66				
Capitalisation rate (%)	6.00				
Deferment rate (%)	5.00				
Value of Freeholders present interest					
Term					
Ground rent payable	£ 66				
YP @ 949.46 years @ 6%	16.66667	£ 1,100			
Reversionry value	Nil				
Freeholders current interest value			£ 1,100		
Other compensation for loss incurred by freeholder	Ni				
Price payable to Freeholder			Total	£	1,100