FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AY/OCE/2021/0185**
HMCTS code (paper, video, audio)	**:**	**P:PAPERREMOTE**
Property	**:**	**55 Whiteley Road, London, SE19 1JU**
Applicants	**:**	**Dafinka Scatozza, Ciampaolo Scatozzo, Cristiana Conte, Sam Charles Jeffries Webb**
Representative	**:**	**Cook Taylor Woodhouse, Solicitors**
Respondent	**:**	**Salim Din**
Representative	**:**	**Missing Landlord**
Type of application	**:**	**Sections 26 and 27 of the Leasehold Reform, Housing and Urban Development Act 1993**
Tribunal members	**:**	**Mr A Harris LLM FRICS FCIArb**
Date of determination and venue	**:**	**2 February 2022 at 10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**2 February 2022**

DECISION

Covid-19 pandemic: description of determination

This has been a determination by remote hearing on the papers. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because no-one requested one, or it was not practicable, and all issues could be determined on paper. The documents that the tribunal was referred to are a bundle of 117 pages, the contents of which the tribunal has noted.

Summary of the tribunal's decision

(1) The appropriate premium payable for the collective enfranchisement is **£16887**.(sixteen thousand eight hundred and eighty seven pounds)

Background

1. This is an application made by the applicant qualifying tenants pursuant to section 26 and 27 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the premium to be paid for the collective enfranchisement of 55 Whitely Road, London SE19 1JU (the "property") where the Landlord cannot be found.

2. On 14 June 2021 the Croydon County Court ordered that the freehold shall be vested in such person or persons as may be appointed for that purpose by the Claimants on such terms as may be determined by the tribunal.

3. The case was transferred to the tribunal for a determination of the premium and terms of acquisition.

The issues

4. In the absence of the Landlord there are no matters agreed. The applicants have submitted a valuation report prepared by Mr Adam Robinson MRICS, dealing with the following matters:

   (a) The subject property is a three-storey semi-detached house converted into three self-contained flats. The ground floor flat consists of three bedrooms, lounge, kitchen, bathroom/WC and the floor area is approximately 66 m². The demise includes a section of the rear garden and a single parking space.

   (b) The first floor flat consists of two bedrooms, lounge, kitchen and bathroom WC and has a floor area of 59 m². The flat has a single parking space.

   (c) The second floor flat is a loft conversion and consists of an open plan living room/kitchen area, one bedroom and a bathroom/WC. The GIA is 44 m² and there is no allocated parking space.

   (d) There is a communal section of rear garden.

   (e) The valuation date is 26 June 2020

   (f) Details of the tenants' leasehold interests:

   Ground floor

   (i) the ground floor flat is held on lease for 125 years from 29 September 1993. A deed of variation dated 31 October 1997

altered the lease plan to show a rear extension and the private section of garden. The ground rent is £150 per annum with no review.

(ii) The unexpired term at valuation date: 98.25 years.

First and second floors

(iii) The term of each lease and ground rent is the same as for the ground floor.

The tribunal regards these matters as uncontroversial and they are supported by documents in the bundle. The tribunal will consider the evidence on the following matters:

(g) Capitalisation of ground rent: 6.50% per annum

(h) Deferment rate: 5%.

(i) Freehold value

(j) Marriage value; ignored under Sch 6 of the Act

(k) Development hope value; Nil

(l) The premium payable.

The hearing

5. The case was dealt with on the papers on 2 February 2022 with the necessary documents provided in a bundle by the Applicant's representative.

6. The tribunal was not asked to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.

7. The applicant relied upon the expert report and valuation of Mr A Robinson MRICS dated 21 December 2021.

Capitalisation rate

8. Mr Robinson considers that capitalisation rates 6.5% are normal. Where there is higher income and good levels of growth on review rates can be lower. In this case the rent is modest and not scheduled to be reviewed and he sees no reason to change from that rate which he has agreed on numerous similar properties.

The tribunal's determination

9. The tribunal determines that the rate to be used is 6.5%.

Reasons for the tribunal's determination

10. The tribunal notes that a rate of 6.5% has been used in Mr Robinson's experience and in the absence of any specific evidence to show that this should be varied in this case the tribunal will adopt this rate.

Deferment rate

11. Mr Robinson speaks to the Sportelli rate of 5%.

The tribunal's determination

12. The tribunal determines that 5% is appropriate as the deferment rate .

Reasons for the tribunal's determination

13. The tribunal sees no reason to depart from the Sportelli rate.

Freehold value

14. Mr Robinson values the freehold interest in the ground floor flat (55a) at £465,000, the first floor flat (55b) at £421,000 and the second floor flat (55c) £319,000. The total freehold value is £1,205,000. Mr Robinson has added1% to the long leasehold values for each flat to arrive at a freehold figure.

The tribunal's determination

15. The tribunal determines that the reversionary value of the freehold interest in the ground floor flat is £465,000, for the first floor flat £421,000 and for the top floor flat £319,000. The total is £1,205,000

16. **Reasons for the tribunal's determination**

17. Mr Robinson has presented comparable properties for each size of flat which are summarised in the table below. The adjusted values are applicable to the subject properties and found by adjusting for date using the Land Registry index and for the presence or absence of parking and use of either a private garden or communal gardens and finally for size. The full adjustments are set out in Mr Robinson's report.

18. The tribunal has considered the evidence which it agrees is appropriate and accepts the adjustments made by an expert witness.

Address	date	Description	lease	price	Comment
3 bedroom flats					
35a Whitely Rd	01/12/2020	2/3 bed split level 79 sq m no parking	999 yrs share of FH	£490,000	adjusted to £477,000 for date, size, parking and garden
Fl 4 1 Alexander Dr SE19	31/07/2020	3 bed top floor flat	125 yrs from 2009	£470,000	adjusted to £437000 for larger size off set by no parking or garden and by date
Fl 5 20 Lunham Rd SE19	07/10/2020	3 bed top floor flat	125 yrs from 2009	£500,000	adjusted to £475000 for date, and size offset by no parking or garden
12a Lunham Rd SE19	07/10/2020	first floor 3 bed	189 yrs from 1997	£505,000	adjusted to £469000 for date, and size offset by no parking
2 Bedroom flats					
55b Whitely Rd (Part of subject)	22/05/2018	First floor in subject property	125 yrs from 1993	£393,000	adjusted for date and freehold to £392,000
33c Whiteley Rd	15/10/2020	2 bed split level upper flat	999 yrs from 1986 Share of FH	£418,500	adjusted fro date and lack of parking to £411,000
Fl 3 15 Alexander Dr	29/04/2021	2 bed first floor flat	999 yrs from 2013, share of FH	£418,000	adjusted for date and no garden
Fl 1 7 Whitely Rd	06/03/2020	2 bed ground floor flat	125 yrs from 2006	£445,000	adjusted for date and lack of parking to £461000
1 Bedroom flats					
Flat 2 57 Whiteley Rd	27/09/2019	1 bed top floor flat	189 yrs from 1974	£ 315,000	adjusted to £326,000 for date and communal garden
1a Becondale Rd SE19	13/08/2021	1 bed ground floor flat with own garden	125 yrs from 2009	£ 327,500	adjusted to £315,000 for date and garden
Fl c 34 Alexandra Drive	20/05/2021	1 bed top floor flat	125 yrs from 1999	£ 330,000	adjusted to £329,000 for date and no communal garden
10b Rockmount Rd SE19	26/03/2021	1 bed ground floor flat no parking or garden	999 yrs from 2013 Sh of FH	£ 305,000	adjusted to £306,000 for date and no garden

Development hope value

19. The tribunal determines that there is no development hope value to be included in the calculation.

Reasons for the tribunal's decision

20. This is a semi-detached property which is fully utilised by the subject flat and there is no development potential.

The premium

(2) The tribunal determines the appropriate premium to be **£16,887**. (sixteen thousand eight hundred and eighty seven pounds).

21. A copy of its valuation calculation is annexed to this decision.

Name:	Mr A Harris Valuer Chair	**Date:**	2 February 2022

Appendix: Valuation setting out the tribunal's calculations

Address	**55 Whitely Rd SE19**
Case Reference	**LON/00AY/OCE/2021/0185**

Basic Information	
Valuation Date	26 June 2020
Existing lease Expiry Date	28 September 2118
Years unexpired	**98.25**
Existing Ground Rent	£450
Basis of review	
Freehold value	£1,205,000
Extended lease value	
Capitalisation Rate	6.50%
Deferment Rate	5.00%

Three flats on similar terms

£ 150 per flat

Term Value					
Term 1					
Ground rent				£ 450.00	
YP	98.25	Years @	6.50%	15.3530	
PV of £1	0	Years @	5.00%	1.00	
Term Value					£ 6,909
Reversion value					
Reversion to freehold value				£1,205,000	
Pv of £1	98.25	Years @	5.00%	0.008281	
Reversion value					£ 9,979
Total Premium payable					**£ 16,887**

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).