



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

Case reference : **MM/LON/00AU/OCE/2022/0132**

**HMCTS code
(paper, video,
audio)** : **P: PAPERREMOTE**

Property : **239 New North Road, London N1 7AT**

Applicant : **(1) Jennet Ann Eyre
(2) Kevin
(3) Mupondori
Juzar Jeevanjee**

Representative : **Lease Law Limited**

Respondent : **Johnny Ervin Wright**

Representative : **Unrepresented**

Type of application : **Determination under section 27 of the
Leasehold Reform, Housing and Urban
Development Act 1993**

**Tribunal
member(s)** : **Judge Jeremy Donegan
Mr Ian Holdsworth FRICS (Valuer
Member)**

Venue : **10 Alfred Place, London WC1E 7LR**

Date of decision : **10 January 2023**

DECISION

Covid-19 pandemic: description of hearing

This has been a remote determination on the papers which has not been objected to. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because was not practicable and all issues could be determined on paper. The documents that the Tribunal were referred to are in a bundle of 235 pages, the contents of which have been noted.

Decisions of the Tribunal

- (A) The Tribunal determines that the appropriate sum to be paid into Court for the acquisition of the freehold interest in 239 New North Road, London N1 7AT ('the Property'), pursuant to section 27(5) of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act'), is £20,486 (Twenty-Thousand, Four Hundred and Eighty-Six Pounds).
- (B) The Tribunal approves the conveyance/transfer deed in the form attached and marked 'A', pursuant to section 27(3) of the 1993 Act.

The background and procedural history

1. The respondent is the registered freeholder of the Property, which is a four-storey, mid-terrace house that has been converted into four flats. The first applicant is the long leaseholder of the ground floor flat, the second applicant is the long leaseholder of the first floor flat and the third applicant is the long leaseholder of the third floor flat.
2. The applicants seek to acquire the freehold of the Property under the 1993 Act. The respondent is absent and cannot be located.
3. On 04 February 2022 the applicants issued a Part 8 Claim in the County Court at Clerkenwell and Shoreditch under claim number J00EC403, seeking a vesting order for the Property under section 26(1) of the 1993 Act.
4. On 05 September 2022 District Judge Pigram made a vesting order in the following terms:

"IT IS ORDERED THAT

1. *The Claimants are entitled to acquire the Premises on such terms as may be determined by the First-tier Tribunal (Property Chamber) as if they had, at the date of this claim, given notice under section 13 of the 1993 Act of their claim to exercise the right to collective enfranchisement in relation to the Premises.*
2. *Upon the payment into court by the Claimants of the Appropriate Sum there shall be executed by Ms. Joanna Botley, Director at Lease Law Limited, in favour of the Claimants or such person as they may choose to appoint for the purpose ("the Transferee") and delivered to the Transferee a conveyance in a form approved by the First-tier Tribunal (Property Chamber) and that conveyance shall be effective to vest in the Transferee the freehold interest in the premises known as 239 New North Road, London, N1 7AT registered at HM Land Registry under title number LN224754, subject to and in accordance with the terms of the conveyance.*
3. *The 'Appropriate Sum' means:*

- (a) Such amount as determined by the First-tier Tribunal (Property Chamber) to be the price which would be payable in accordance with Schedule 6 of the 1993 Act if the Premises were being acquired in pursuance of a notice under section 13 of the Act; and*
 - (b) Such amount as determined by the First-tier Tribunal (Property Chamber) to be due at the time of the conveyance from the Claimants to the Defendant under section 27(5)(b) of the 1993 Act; less*
 - (c) The Claimants' costs of this claim, summarily assessed at £4,500.00 inclusive of VAT; less*
 - (d) The Claimants' reasonable conveyancing costs."*
5. The Tribunal received a section 27 application on 12 October 2022. Directions were issued on 15 October 2022, which provided for a paper determination. None of the parties has objected to this or requested an oral hearing. The paper determination took place on 10 January 2023.
6. The applicants' solicitors supplied the Tribunal with a determination bundle in accordance with the directions. This included copies of the relevant documents from the County Court proceedings, Land Registry searches for the freehold and leasehold titles, the leases, a valuation report from Mr Stephen Jones MRICS dated 18 November 2022, a draft transfer deed and a table dealing with any additional sums that might be payable to the respondent.

The issues

7. The Tribunal is required to determine the appropriate sum to be paid into Court and to approve the form of conveyance (transfer deed).
8. The Tribunal did not consider that an inspection of the Property was necessary, nor would it have been proportionate to the issues in dispute.
9. Having studied the various documents in the applicants' bundle the Tribunal has made the determination set out overleaf.

Sum to be paid into Court

10. In his report, Mr Jones valued the freehold at £25,605. This was based on unimproved freehold values of £375,000 (basement flat), £350,000 (ground floor flat), £355,000 (first floor flat) and £350,000 (second floor flat), a capitalisation rate of 6% and a deferment rate of 5% and a relativity for the First Floor Flat of 91.06%. Mr Jones used 04 February 2022 as the valuation date, being the date of the County Court application. As at that date the leases had 85.38 years unexpired.

The Tribunal's decision

11. The price payable for freehold interest in the Property is £25,605
12. The appropriate sum to be paid into Court under section 27(5) of the 1993 Act is £20,486 (Twenty Thousand, Four Hundred and Eighty-Six Pounds).

Reasons for the Tribunal's decision

13. The relevant date for valuing the freehold is the date of the County Court application, 04 February 2022, pursuant to 26(5)(a) of the 1993 Act.
14. Having scrutinised the comparables detailed in Mr Jones' report, the Tribunal accepts his unimproved freehold values for the flats. The Tribunal also accepts the capitalisation and deferment rates, which are uncontroversial. The prescribed statutory valuation method has been adopted by Mr Jones and his valuation of £25,605 is appropriate for the collective enfranchisement of the Property.
15. No ground rent has been demanded for the flats during the last six years. In the absence of valid demands no rent is due and the Tribunal determines that no additional sums are payable under section 27(5)(b) of the 1993 Act.
16. The costs of the County Court proceedings (£4,500 including VAT) must be deducted from the freehold price, as must the applicants' reasonable conveyancing costs. The sum claimed for their conveyancing costs is £619.50 (including VAT and disbursements), which is reasonable. The balance due, after deducting both sets of costs, is £20,485.50, which the Tribunal has rounded up to £20,486.

Form of conveyance

17. The Tribunal approves the draft transfer deed included in the hearing bundle, a copy of which is attached and marked 'A'.

Reasons for the tribunal's decision

18. The Tribunal has scrutinised the draft transfer deed and is satisfied that it complies with the requirements of section 34 and schedule 7 of the 1993 Act.

Name: Tribunal Judge Donegan **Date:** 10 January 2023

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.