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# HM COURTS & TRIBUNALS SERVICE

## LEASEHOLD VALUATION TRIBUNAL

In the matter of an Application under  
Section 24 of the Leasehold Reform Housing and Urban Development Act 1993

**Case No.** CHI/29UN/OCE/2012/0020

**Property:** 47 Ethelbert Road  
Margate  
Kent  
CT9 1SD

**Between:** David John Murphy and  
John Donald O'Connor  
("the Applicants")

and

Andrew Joseph Starreveld and  
Catharina Whihelmina Johanna  
Maria Brons ("the Respondents")

**Date of Consideration:** 16<sup>th</sup> July 2012

**Members of the Tribunal:** Mr. R. Norman  
Mr. R. Athow FRICS MIRPM  
Mr. C.C. Harbridge FRICS

**Date Decision Issued:** 25<sup>th</sup> July 2012

**47 ETHELBERT ROAD, MARGATE, KENT CT9 1SD**

### **Determination**

1. The price payable for the collective enfranchisement of 47 Ethelbert Road, Margate, Kent CT9 1SD and appurtenant property/common parts ("the subject property") is £6,489.56. The proportions in respect of each Flat being as follows:

	£
Flat 1:	2,560.46
Flat 2:	1,818.43
Flat 3:	2,110.67

2. The draft transfer is approved subject to the amendment of Paragraph 8 to read "The sum of £6,489.56 to be paid into court (less £1,889.84 costs)", the correction of the name of the first transferor from 'John' to 'Joseph' and the correction of the name of the second transferor from 'Wihelmina' to 'Whihelmina'.

## **Background**

3. Mr. David John Murphy is the lessee of Flat 1 at the subject property and he and Mr. John Donald O'Connor are the joint lessees of Flat 3. They are collectively referred to as "the Applicants" and they made an application to the County Court (Claim No. 2TT00059) under Section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for collective enfranchisement in relation to the subject property. The lessee of Flat 2 is Tina Catherine Anastasio and is not a party to these proceedings.

4. The County Court being satisfied that for the purposes of Section 26(4) of the Act the Applicants had rights to collective enfranchisement in relation to the subject property, made an order that the interests as are referred to in the Applicants' application that are liable to acquisition on behalf of the Applicants by virtue of Section 1(1) or 1(2)(a) of the Act be vested in the Applicants. The Tribunal is required to determine the terms of acquisition of the subject property and to approve the form of transfer under Section 27 of the Act.

5. The Applicants' solicitors asked that the matter be dealt with by paper only. Directions were issued and with those directions the Tribunal gave notice to the parties under Regulation 13 of the Leasehold Valuation Tribunals (Procedure)(England) Regulations 2003, as amended by Regulation 5 of the Leasehold Valuation Tribunals (Procedure) (Amendment) (England) Regulations 2004, that the Tribunal intended to proceed to determine the matter on the basis only of written representations and without an oral hearing. The parties were given the opportunity to object to that procedure by writing to the Tribunal. No objection was received and the Applicants' solicitors wrote to the Tribunal stating that they did not wish to make any further submissions or provide any further evidence. The matter is being dealt with on the basis only of written representations and without an oral hearing.

6. On 17<sup>th</sup> April 2012 the Tribunal received the following:

- (a) Copy claim form and Particulars of Claim.
- (b) Copy supporting witness statement of Jonathan Edward Daniels and exhibits thereto including copies of Land Registry entries for the freehold of the subject property and for each of the three flats and copies of the leases for Flats 1 and 3.
- (c) Copy Notice pursuant to Section 13 of the Act.
- (d) Copy Order of the Thanet County Court dated 2<sup>nd</sup> March 2012.
- (e) Valuation carried out by Talbots Surveying Services Limited.
- (f) Draft transfer.

7. The leases in respect of Flats 1, 2 and 3 are for 99 years from 1<sup>st</sup> March 1988. The annual ground rent reserved by each lease is £50. There are also provisions for the lessees to contribute towards the cost of insurance and service charges.

## **Inspection**

8. On 16<sup>th</sup> July 2012, in the presence of Mr. Murphy, the Tribunal inspected the exterior, common parts and the interior of Flats 1 and 3 at the subject property which is a mid-terraced house converted into three flats.

9. Flat 1 is on the lower ground floor with its own access and comprises a sitting room, bedroom, bathroom and kitchen with a part of the rear yard and a parking space leading from an access road at the rear of the subject property.

10. The Tribunal was unable to inspect the interior of Flat 2 which is on the raised ground floor but could see that access was by the common entrance hall. Mr. Murphy indicated that part of the rear yard and a parking space were included in the lease of Flat 2 and the wording of the two leases produced suggested that was correct.

11. Flat 3 comprises on the first floor a sitting room, bedroom and kitchen and, on a mezzanine floor, a bathroom. Access is by stairs from the common entrance hall. Flat 3 does not have the benefit of off street parking.

### **Consideration**

12. A valuation by Mr. Andrew Cohen MRICS of Talbots Surveying Services Limited had been produced. Much of the content of that valuation was accepted by the Tribunal, including the capitalisation rate of 8% and the deferment rate of 5.75%. However, it was noted that it was incorrectly stated in the valuation that there was no other outside space or off-street parking facility. Mr. Cohen was of the opinion that 95.5% is the appropriate relativity figure. The Tribunal noted the graphs and other documents referred to but could not accept that that was the correct percentage to be applied. The Tribunal from its own extensive knowledge of the area and property transactions in the area considered that 92.5% is the correct figure to apply. The Tribunal was aware that properties in the area are selling and, noted, as an example, that a one bedroom flat with parking had been sold subject to contract for £55,000.

13. The valuation date is stated in the valuation to be 1<sup>st</sup> December 2011. The initial notice is dated 23<sup>rd</sup> January and it is that date which the Solicitors representing the Applicants suggested should be the valuation date. However, the date of issue of the claim is 25<sup>th</sup> January 2012 and the Tribunal has used that date as the valuation date.

14. There is less than 80 years to run on the leases and therefore the freeholder is entitled to 50% of the marriage value in respect of Flats 1 and 3. Flat 2 is not participating. In his report, Mr. Cohen stated that Flat 3 was not participating. No doubt he intended to refer to Flat 2. He suggested that 15% of the figure which would have been payable had Flat 2 participated should be payable as hope value. However, in the appendix he used 20%. The Tribunal was content to adopt the figure of 20%.

15. A sum of £100 had been suggested in respect of appurtenant land but the Tribunal considered that no separate value should be attributed to the entrance hall which formed the common parts.

16. The Tribunal considered all the documentary evidence produced by and on behalf of the Applicants and made a determination that the price payable for the collective enfranchisement of the subject property is £6,489.56. The proportions in respect of each Flat being as follows:

	£
Flat 1:	2,560.46
Flat 2:	1,818.43
Flat 3:	2,110.67

17. The costs claimed to be deducted from the price had already been assessed by the County Court at £1,889.84.

18. The calculations are set out below.

Flat 1, 47 Ethelbert Road, Margate

Flat value with long lease:	50,000.00	
Flat value with present lease:	46,250.00	
Relativity (percentage of long lease value)	92.5%	
Valuation of freeholder's existing interest:		
Ground rent:	50.00	
yp 75.17 years @ 8%	<u>12,461.59</u>	623.08
Reversion to freehold value:		
Value of Flat:	50,000.00	
pv of £1 in 75.17 @ 5.75%	<u>0.01496</u>	<u>747.83</u>
		1,370.91
Marriage Value Calculation:		
Value of Interests after enfranchisement:		
Freeholder:	0.00	
Nominee Purchaser:	<u>50,000.00</u>	
		50,000.00
Value of Interests before enfranchisement:		
Value of freehold reversion:	1,370.91	
Total value before enfranchisement:	<u>46,250.00</u>	
		<u>47,620.91</u>
Marriage Value:		<u>2,379.09</u>
Lessor's share of Marriage Value – 50%		<u>1,189.54</u>
Amount to be paid:		2,560.46

Flat 2, 47 Ethelbert Road, Margate

Flat value with long lease:	60,000.00
Flat value with present lease:	55,500.00
Relativity (percentage of long lease value)	92.5%

Valuation of freeholder's existing interest:

Ground rent:	50.00	
yp 75.17 years @ 8%	<u>12.46159</u>	623.08
Reversion to freehold value:		
Value of Flat:	60,000.00	
pv of £1 in 75.17 years @ 5.75%	<u>0.01496</u>	
		<u>897.40</u>
		1,520.48
Marriage Value Calculation:		
Value of Interests after enfranchisement:		
Freeholder:	0.00	
Nominee Purchaser:	<u>60,000.00</u>	
		60,000.00
Value of Interests before enfranchisement:		
Value of freehold reversion:	1,520.48	
Total value before enfranchisement:	<u>55,500.00</u>	
		<u>57,020.48</u>
Marriage Value:		2979.52
Lessor's share of Marriage Value – 50%		1,489.76
As not participating: 20% of 50% of marriage Value:		<u>297.95</u>
Amount to be paid:		1,818.43

Flat 3, 47 Ethelbert Road, Margate

Flat value with long lease:	40,000.00	
Flat value with present lease:	37,000.00	
Relativity (percentage of long lease value)	92.5%	
Valuation of freeholder's existing interest:		
Ground rent:	50.00	
yp 75.17 years @ 8%	<u>12.46159</u>	623.08
Reversion to freehold value:		
Value of Flat:	40,000.00	
pv of £1 in 75.17 years @ 5.75%	<u>0.01496</u>	
		<u>598.27</u>
		1,221.34
Marriage Value Calculation:		
Value of Interests after enfranchisement:		
Freeholder:	0.00	
Nominee Purchaser:	<u>40,000.00</u>	
		40,000.00
Value of Interests before enfranchisement:		
Value of freehold reversion:	1,221.34	

Total value before enfranchisement:	<u>37,000.00</u>	
Marriage Value:		<u>38,221.34</u>
		1,778.66
Lessor's share of Marriage Value – 50%		<u>889.33</u>
Amount to be paid:		2,110.67

Grand total £6,489.56.



R. Norman  
Chairman

# Land Registry Transfer of whole of registered title(s)

# TR1

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

Leave blank if not yet registered.

Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.

Give full name(s).

Complete as appropriate where the transferor is a company.

Give full name(s).

Complete as appropriate where the transferee is a company. Also, for an overseas company, unless an arrangement with Land Registry exists, lodge either a certificate in Form 7 in Schedule 3 to the Land Registration Rules 2003 or a certified copy of the constitution in English or Welsh, or other evidence permitted by rule 183 of the Land Registration Rules 2003.

Each transferee may give up to three addresses for service, one of which must be a postal address whether or not in the UK (including the postcode, if any). The others can be any combination of a postal address, a UK DX box number or an electronic address.

Place 'X' in the appropriate box. State the currency unit if other than sterling. If none of the boxes apply, insert an appropriate memorandum in panel 11.

Place 'X' in any box that applies.

Add any modifications.

	<p>1 Title number(s) of the property: K101994</p>
	<p>2 Property: FREEHOLD LAND AT 47 ETHELBERT ROAD CLIFTONVILLE MARGATE CT9 1SD</p>
	<p>3 Date:</p>
	<p>4 Transferor: <i>JOSEPH</i> ANDREW <del>JOHN</del> STARREVELD AND CATHARINA <del>WIHELMINA</del> JOHANNA MARIA BRONS <u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:  <u>For overseas companies</u> (a) Territory of incorporation:  (b) Registered number in the United Kingdom including any prefix:</p>
	<p>5 Transferee for entry in the register: DAVID JOHN MURPHY AND JOHN DONALD O CONNOR  <u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:  <u>For overseas companies</u> (a) Territory of incorporation:  (b) Registered number in the United Kingdom including any prefix:</p>
	<p>6 Transferee's intended address(es) for service for entry in the register: 194 ALEXANDRA ROAD LONDON N10 2ES AND 13 BELLINA MEWS CAMDEN LONDON NW5 1BD</p>
	<p>7 The transferor transfers the property to the transferee</p>
	<p>8 Consideration</p> <p><input type="checkbox"/> The transferor has received from the transferee for the property the following sum (in words and figures):</p> <p><input type="checkbox"/> The transfer is not for money or anything that has a monetary value</p> <p><input checked="" type="checkbox"/> Insert other receipt as appropriate: THE SUM OF <del>£5,267</del> TO BE PAID INTO COURT (LESS £1889.84 COSTS) <i>£6,489.56</i></p>
	<p>9 The transferor transfers with</p> <p><input type="checkbox"/> full title guarantee</p> <p><input checked="" type="checkbox"/> limited title guarantee</p>

Where the transferee is more than one person, place 'X' in the appropriate box.

Complete as necessary.

Insert here any required or permitted statement, certificate or application and any agreed covenants, declarations and so on.

The transferor must execute this transfer as a deed using the space opposite. If there is more than one transferor, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If the transfer contains transferee's covenants or declarations or contains an application by the transferee (such as for a restriction), it must also be executed by the transferee.

*Approved on behalf of*  
*R. Adams*  
*Chairman*  
*25.07.12*

10 Declaration of trust. The transferee is more than one person and

- they are to hold the property on trust for themselves as joint tenants
- they are to hold the property on trust for themselves as tenants in common in equal shares
- they are to hold the property on trust:

11 Additional provisions

THIS TRANSFER IS EXECUTED FOR THE PURPOSES OF CHAPTER I OF PART I OF THE LEASEHOLD REFORM HOUSING AND URBAN DEVELOPMENT ACT 1993

12 Execution

Signed as a deed by District Judge sitting in the Thanet County Court on behalf of the Transferors pursuant to an Order of the Thanet County Court dated 2 March 2012 in Claim Number 2TT00059

Signature.....

in the presence of:

Signature of witness.....

Name (in BLOCK CAPITALS)

Address