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LONDON RENT ASSESSMENT PANEL

Ref LON//00AQ/OCE/2012/0195

**LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT
PANEL**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON APPLICATION
UNDER SECTION 24 OF THE LEASEHOLD REFORM, HOUSING AND URBAN
DEVELOPMENT ACT 1993**

Applicants	(1) Apoorva Krishna (2) Hitesh Dayaram
Respondent:	Ambassador House Holdings Limited
Re:	197 and 197a Byron Road Wealdstone Middlesex HA3 7TD
Date of Tenant's notice:	20th April 2012
Date of Counter Notice:	21st June 2012
Application date:	2nd October 2012
Hearing date:	12th February 2013
Date of Inspection	13th February 2013
Valuation date:	20th April 2012
Appearances:	For the Applicants: Mr S Cornish BSc FRICS valuer of Woodward's Chartered Surveyors For the Respondent Mr A Cohen BSc FRICS valuer of Talbots Chartered Surveyors

Members of the Leasehold Valuation Tribunal:

**Mr P L Leighton LLB(Hons)
Miss M Krisko FRICS BSc(Est Man)
Ms Naomi Hawkes**

Date of Tribunal's decision: 27th February 2013

DECISION

introduction

- 1 By an application dated 2nd October 2012 the Applicants applied to the tribunal for a determination of the premium payable for the freehold of the property known as 197 Byron Road Wealdstone Middlesex HA3 ("the property" pursuant to Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993 ("The Act").
- 2 Directions were given on 1st November 2012 and the matter first came before the Tribunal for hearing on 12th February 2013

Inspection

- 3 The tribunal inspected the property on 13th February 2013 but was unable to obtain internal access.. The property is a late Victorian terraced house divided into two self contained flats with separate front doors. The ground floor flat has exclusive use of the rear garden and there are six bins in the small area at the front of the building .
- 4 The accommodation consists of entrance hall kitchen bathroom wc bedroom and living room. The ground floor accommodation is slightly larger as it has a bay window at the front and a small single storey rear addition
- 5 The external condition of the premises was fair but in need of some maintenance. Windows had been replaced The valuers agreed that both flats

had gas central heating and suggested they were maintained internally to a satisfactory standard

- 6 It is situated in a busy road in a residential area of Wealdstone with heavy through traffic with parking on both sides of the road and speed humps along its length It was conveniently placed for shops and transport facilities .
- 7 During the hearing several comparables were offered by the valuers and the tribunal inspected a number of them externally including 5A Kenmore Avenue, 9A Spencer Road, 31A Grant Road 233 and 154 Byron Road 72A Locket Road all in Wealdstone and in close proximity to the subject property
- 8 The tribunal saw three purpose built blocks of flats in Canning Road , Claremont Road and Weald Lane but considered they were too different in character to be of any assistance
- 9 Most of the comparable properties were substantial and appeared larger than the subject property . Two were end terrace and one was a semi detached property and 5 Kenmore Avenue was in a superior location to the others and had two private parking spaces in front of the building

Agreed items

- 10 The parties agreed the following items were not indispute

Valuation date	20 th April 2012
Lease	99 years from 25th March 1984 at rising ground rent reviewable every 33 years
Unexpired term	70.92
Value of the term	£3032
Yield on the term	7%
Yield on the reversion	5%

No reference was made to room sizes and no claim to improvements were made by the Applicants

Issues in dispute

- 11 The only items which the Tribunal had to consider therefore were
 - 1 Extended lease Value Mr Cornish contended for £165,000 for the upper flat and £155,000 for the lower flat ; Mr Cohen contended for £190,000 for the upper flat and £175,000 for the lower flat
 - 2 Relativity of existing to extended lease Mr Cornish contended for 93.2% and Mr Cohen 90.15%
 - 3 The premium: Mr Cornish contended for a figure of £ 17,329 which he finally adjusted to £17,420 and Mr Cohen for £25,226

Evidence

- 12 The Tribunal considered the reports of Mr Cornish and Mr Cohen .during the course of the evidence while Mr Cornish was questioning Mr Cohen he sought to introduce evidence from a document which had not been disclosed to which Mr Cohen strongly objected. . The Tribunal ruled that the document in question was of little practical value, had been introduced at a very late stage without disclosure and should not be relied upon.
- 13 Mr Cornish had inspected the property in 2009 but had relied upon another property at 5A Kenmore Avenue which had been valued by a colleague he accepted was in a better area. This property had sold in July 2011 for £166,000 He maintained that the area was unusual and that prices could not be relied upon as different factors were often taken into account and he considered that the correct prices were not always registered with the Land Registry. He considered that the appropriate figure for the ground floor flat was £165,000 and £155,000 for the upper flat
- 14 Mr Cohen placed reliance on a number of properties in the area which he considered similar in type to the subject property He made specific reference to 154 Byron Road It was a mid terrace property in the same road of similar size and had sold for £237,000 in October 2011. The property consisting of two flats

was originally let to shorthold tenants but later the first floor flat was sold on lease for £160,000 in December 2011 and the ground floor sold for £190,000 in 2012 but was currently on the market for £155,000 No explanation was available at this apparent inconsistency

- 15 72A Locket Road sold for £170,000 in February 2011 . The ground floor flat of 233 Byron Road which is a larger wider fronted property sold for £190,500 in March 2012 and 31 Grant Road a flat of similar size but in poor condition sold for £135,000 in November 2012.. Both 72A Locket Road and 233 Byron Road were end terrace properties and appeared in reasonable condition.
- 16 Mr Cohen was of the opinion that he ground floor flat with exclusive use of garden would command a premium of approximately £15,000 more than the upper flat whilst Mr Cornish put the difference in these types of properties at £10,000

The Tribunal's Decision

- 17 In relation to the value of the extended lease the tribunal considered all the comparables but was of the opinion that 154 Byron was the best as it was most similar to the subject property . The properties at Grant Road and Canning Road were larger properties but not in such good condition
- 18 The sale prices of 154 Byron Road are out of line with the other comparables quoted. 233 Bryon is said to have been sold at £190,500, but the inspection showed that this was a larger more substantial end terrace property with a large garden. 9 Spencer Road, a large semi detached property in good condition externally, the ground floor flat sold for £170,000. 72 Locket Road, a one bed conversion in a larger end terrace property sold for £171,000. With the exception of 154 Byron Road, all the comparable appear to be larger then the subject flats. The tribunal considered that the two values which were out of line with those shown to be generally achieved in the area were 154 Byron Road for which no explanation was given, and 31 Grant Road which is in poor external condition. The remaining comparables indicate a value for the subject in the order of £170,000 and £160,000.

- 18 The tribunal also considered that Kenmore Avenue which was a better property in a better area with parking facilities although sold for £166,000 only had a 73 year lease. If this was adjusted it produced a long lease value a figure of £180,000 which indicated that the figure of £190,000 contended for by Mr Cohen was too high.
- 19 Taking all these factors into account the tribunal considered that a figure of £170,000 for the ground floor flat and £160,000 for the upper flat fairly reflected the extended lease value
- 20 In relation to relativity each of the valuers limited their evidence to the consideration of graphs. Mr Cornish decided to use South East Leaseholds, Andrew Pridell and Beckett and Kay. He chose not to rely upon the Nesbitt and Co graph which he stated was out of line with the other graphs and were produced by a firm associated mainly with landlords. Mr Cornish contended for a figure of 93.2%
- 21 Mr Cohen relied solely upon the John D Wood Pure tribunal graphs which contained 601 tribunal decisions. He thought that all the other graphs were flawed in one or more respects and considered that tribunal decisions were the most reliable guide. However he conceded that many of the decisions related to Prime Central London properties. He contended for a figure of 90.15%
- 22 The tribunal decided that the best course would be to include all of the graphs relied upon and take an average of each which would take account and average out any bias in any of the graphs to the best of our ability thus arriving at a figure of 92.4 %

Conclusion

- 23 The tribunal concluded therefore that the appropriate premium for the property was £19,237 and a copy of the valuation is appended hereto.

Chairman

Peter Leighton

Date

27th February 2013

Landlord's interest		13,394
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Marriage Value

Extended lease value	330,000	
less landlord's interest	13,394	
less tenant's interest	3,032	
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	11,686	

50%		5,843
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Premium payable		<u>£19,237</u>
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