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

Case Reference : **LON/OOAJ/OCE/2014/0029**

Property : **49 Long Drive, London W3 7PJ (the Property)**

Applicant : **Kirsty Lindsay Newman (1) Lina Meghani (2) and Bishan Meghani (3)**

Representative : **Housing and Property Law Partnership - Solicitors and Ghulam Yasin BSc MRICS of myleasehold Limited**

Respondent : **Vanessa Shaunmba Mulangala**

Representative : **None (missing landlord)**

Type of Application : **S27 Leasehold Reform, Housing and Urban Development Act 1993 (the Act)**

Tribunal Members : **Tribunal Judge Dutton
Mr N Martindale FRICS**

Date and venue of Determination : **25th March 2014 at 10 Alfred Place, London WC1E 7LR**

Date of Decision : **25th March 2014**

DECISION

The tribunal determines that the price payable for the freehold interest in the Property is £26,491 divided as to £12,546 in respect of the ground floor flat and £13,945 in respect of the first floor flat as set out on the valuations attached to the report of Mr Ghulam Yasin BSc MRICS dated 10th March 2014

The terms of the transfer as included in the papers before us are approved.

REASONS

BACKGROUND

1. By an order dated 29th January 2014 in the Brentford County Court in claim number 3BF01668 (“the Order”) between the parties named on the front page of this decision the matter was remitted to this Tribunal for the price and terms of the acquisition to be determined pursuant to section 27 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”).
2. We met on 25th March 2014 for the purposes of implementing the requirements of the Order.
3. We had before us a bundle prepared by the Applicant’s solicitors which contained the Court papers, including the Order, a witness statement of Mr Ross Keith Paterson with a number of exhibits, copies of the freehold and leasehold registers of title and the leases. In addition we were provided with a copy of the report of Mr Yasin and the proposed draft transfer.
4. We have considered the papers before us and in particular the report of Mr Yasin. This report is dated 10th March 2014 and records that it was created following a site inspection on 24th February 2014. After setting the scene as to location and the subject building Mr Yasin described the two flats to be found in the building, their respective floor areas, condition, planning and tenure. It also confirms, correctly that the valuation date is 1st October 2013, being the date of issue of the Court proceedings.
5. Under the heading Valuation principles he confirms that marriage value is payable, the leases being for an unexpired term of 68.47 years, that there is no development value or improvements to be considered.
6. The report argues for a capitalisation rate of 7%, a deferment rate of 5% and relativity of 91.33%.
7. As to comparable evidence he relies on a sale of the first floor flat in the building in February 2012 at a price of £189,950 and sales of flats at 17 Long Drive and 164 Cotton Avenue. We noted all that was said. Applying these elements to the assessment of the valuation of the price to paid for the freehold Mr Yasin reached a combined freehold vacant possession value of £421,000 leading to a total premium payable of £26,491, which after some minor rounding he fixed at £26,500.
8. We set out our comments on these submissions in the findings section below

FINDINGS.

9. In essence we are prepared to accept the values put forward by Mr Yasin. We have no quibble with the capitalisation and deferrals rates. As to relativity, he has not provided us with the graph evidence which supports the 91.33% argued for in the report, nor the explanation as to why he has used 91.56% in his valuations. The same lack of supporting evidence in respect of the adjustment for time is unhelpful. However, we accept that M Yasin acts as independent expert and that the adjustments he makes accurately reflect the source data he relies upon, but does not produce. They are consistent with our own knowledge and experience of these elements.
10. As to the comparables we agree that the sale of the first floor flat in the building in February 2012 is very helpful. It does raise the issue as to whether the Applicants Lina and Bisham Meghani are qualifying tenants but we take our jurisdiction from the Order and it is not a matter we pursue. We also found the comparable at 17 Long Drive helpful, not so 164 Cotton Avenue where Mr Yasin appears to be reflecting the difference between purpose built blocks and Victorian conversions, which seems inappropriate given the nature of the building.
11. We would not make a reduction of 2½% in respect of the “no Act world” and instead would have taken the extended lease value at £226,730 and applied the relativity of 91.33% to that. We are somewhat surprised that there is no allowance for improvements in respect of the creation of the second bedroom in the first floor flat. However, the changes make very little difference to the final figures and taking the matter in the round we are prepared to accept the valuations put forward by Mr Yasin as being within an acceptable valuation tolerance.
12. We find that the price payable for the freehold should be the combined figures as set out on the valuations appended to Mr Yasin’s report, that is to say £12,546 for the ground floor flat and £13,945 for the first floor flat, giving a total of £26,491. This sum should be paid into Court. We approve the terms of the draft transfer included within the bundle.

Andrew Dutton
Tribunal Judge

25th March 2014