



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

Case reference : LON/OOAK/OCE/2015/0067

Property : 45 Arthur Road, London N9 9AF

Applicants : Angela Christodoulou

Representative : Ringley Legal

Respondent : Geraldine Ruth Aragon

Representative : Not applicable (missing landlord)

Type of application : Application under sections 26 and 27 of the Leasehold Reform Housing and Urban Development Act 1993

Tribunal members : Ms N Hawkes
Mrs S Redmond BSc (Econ) MRICS

Venue : 10 Alfred Place, London WC1E 7LR

Date of paper determination : 5.5.15

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the price to be paid by the applicant for the freehold interest is £24,289.
- (2) The terms of the draft transfer are provided for in paragraph 12 below.

The Background

1. This is an application under section 26 of the Leasehold Reform Housing and Urban Development Act 1993 ("the 1993 Act") pursuant to an order made by Deputy District Judge Gaunt, sitting at the County Court at Edmonton on 13th February 2015.
2. Section 26(1) of the 1993 Act concerns claims for collective enfranchisement where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 27 of the 1993 Act, the role of the Tribunal is to determine the appropriate sum to be paid into court in respect of the landlord's interests and also to approve the form and terms of the proposed transfer.
4. The applicant in this matter is Angela Christodoulou. She is the qualifying tenant of two flats, namely, flats A and B at 45 Arthur Road, London N9 9AF ("the Property"). The respondent freehold owner is Geraldine Ruth Aragon.
5. On 1st October 2014, the applicant issued a Part 8 Claim at the County Court at Edmonton for an order pursuant to section 26(1) of the 1993 Act vesting the freehold interest in the Property in the applicant. The applicant has been unable to ascertain the whereabouts of the respondent and was therefore unable to serve a notice on her pursuant to section 13 of the 1993 Act.
6. The applicant has provided the Tribunal with two valuation reports prepared by Mr David Field FRICS dated 4th March 2014 and 22nd April 2015. The report dated 4th March 2014 incorrectly states that the valuation date is 14th September 2013 but the report dated 22nd April 2015 identifies the correct valuation date, namely 1st October 2014.
7. Mr Field is of the view that the premium to be paid for the freehold interest is £23,345.
8. In his second valuation report, Mr Field has provided evidence of four comparables in 2015, all stated to be under offer. The Tribunal is

surprised that there do not appear to have been any sales of comparable properties in 2014 and that there is in fact no evidence of any completed sales since 2013 in either report. However, the Tribunal accepts Mr Field's evidence in this respect.

The Determination

9. The Tribunal accepts the opinions expressed by Mr Field in his valuation report dated 22nd April 2015 save that:
 - (i) In respect of flat 45A Arthur Road, having regard to the various comparables provided; to the condition of the property; and to the fact that the landlord is absent, the Tribunal determines that the value of the long lease is £208,000.
 - (ii) In respect of flat 45B Arthur Road, having regard to the various comparables provided; to the condition of the property; and to the fact that the landlord is absent, the Tribunal determines that the value of the long lease is £178,000.
 - (iii) In the absence of any market evidence in this case, the Tribunal accepts Mr Field's use of the RICS Research Report dated October 2009. However, the Tribunal finds that the average of the five figures which have been quoted is 92.55%.
10. The adjusted calculation has resulted in premium of £24,289. A copy of the Tribunal's valuation is attached to this decision.
11. Accordingly, the Tribunal determines that the premium to be paid in respect of the collective enfranchisement of 45 Arthur Road, London N9 9AF is £24,289.
12. The Tribunal also approves the draft transfer which has been submitted by the applicant, subject to the inclusion in box 8 that the consideration (the premium of £24,289) has been paid into court.
13. This matter should now be returned to the County Court sitting at Edmonton under Claim Number A03RD448 in order for the final procedures to take place.

Judge N Hawkes

5th May 2015

**LEASEHOLD REFORM, HOUSING & URBAN DEVELOPMENT ACT 1993
VALUATION FOR ENFRANCHISEMENT
Flats A and B, 45 Arthur Road, LONGON N9 9AF**

Facts and matters determined:

Leases from 24/6/85 for 55 years, rising ground rent every 33 years of
£125, £250, £375

Valuation date	01/10/2014
Term unexpired	69.73
Long Leasehold value unimproved of Flat A	£208,000
Long Leasehold value unimproved of Flat B	£178,000
Uplift to Freehold Value	1%
Capitalisation rate	7%
Relativity	92.55%

Diminution in Value of Freeholder's interest

Freeholder's Present Interest:	£	£	£
Value of current Ground Rent income YP 3.73 years @ 7%		250 3.1863	797
Ground rent at first review YP 33 years @ 7% deferred 3.73 years		500 12.7538 0.7769	4,954
Ground rent at second review YP 33 years @ 7% deferred 36.73 years		750 12.7538 0.0833	<u>797</u> 6,548
Reversion to virtual Freehold value deferred 69.73 years @ 5%		389,899 <u>0.0333</u>	<u>12,984</u> 19,531

Calculation of freeholder's share of Marriage Value

Value of proposed interests:

Freeholder's	0	
Leaseholder's	<u>389,899</u>	389,899

less value of existing interests

Freeholder's	19,531	
Leaseholder's	<u>360,852</u>	380,383
Marriage value thus		9,516

Freeholder's share of Marriage value 4,758

Enfranchisement price payable £24,289