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

Case Reference : LON/00BH/OCE/2016/0123

Property : 4, Nutfield Road, Leyton, London,
E15 2DG

Applicants : Igor Jose Freitas Coelho
Jose Gouveia Freitas
Lucia Nunes De Sousa Coelho
Freitas

Representative : Tolhurst Fisher LLP

Respondent : Allan Keegan

Representative : None (missing landlord)

Type of Application : S26 Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)

Tribunal Members : Mrs H C Bowers MSc MRICS
BSc(Econ)
Judge J Hewitt

**Date and venue of
Determination** : 25 May 2016 at 10 Alfred Place,
London WC1E 7LR

Date of Decision : 27 May 2016

DECISION

The Tribunal determines that the price payable for the enfranchisement of 4, Nutfield Road, Leyton, London, E15 2DG (the subject property) shall be £33,005.00.

No sums are payable under section 27(5) of the Leasehold Reform, Housing and Urban Development Act 1993

The Form TR1 is approve

REASONS

BACKGROUND

1. By an order made by District Judge North dated 1 April 2016 in the County Court at Bow in claim number B02BO726 ("the Order") between the parties named on the front page of this decision, the matter was remitted to this Tribunal. The Tribunal is required to determine the terms pursuant to section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") in respect of the freehold interest of 4, Nutfield Road, London, E15 2DG (the subject property).
2. The Tribunal had before it a bundle prepared by the Applicants' solicitors, which contained the Court papers. These papers included the Claim Form, the various court Orders, copies of the freehold and various leasehold registers of title, the leases of the two flats. The freehold interest under title number EGL169531 indicates that the interest is subject to two leases. The lease for the Ground Floor Flat (title number EGL189766) is dated 5 December 1986. This lease is for a term of 99 years from 1 January 1986, having 69.5 years unexpired at the valuation date. The lease for First Floor Flat (EGL194622). This lease is dated 3 April 1987 and is for a term of 99 years from 1 January 1987, having 70.5 years unexpired at the valuation date.
3. Also enclosed in the bundle is a copy of a draft TR1 form.
4. In addition the Tribunal was provided with a copy of a report of Mr M Stapleton FRICS dated 5 May 2016. The valuation date under the current case would be the date of the service of the Claim Form, and is stated to be 17 July 2015
5. The ground rent for the Ground Floor Flat is £75 per annum for the first 33 years, rising to £150 per annum for the second 33 years and then £300 for the final 33 years. In respect of the First Floor Flat, the initial ground rent is £50 per annum, rising to £100 per annum after 33 years and finally the sum of £150 per annum for the final 33 years. The report adopts a capitalisation rate of 7%. Mr Stapleton values the capitalised ground rent for the Ground Floor Flat at £2,061.97 and for the First Floor Flat at £1,280.91.
6. A total of six comparables were provided. In respect of adjustments for time, Mr Stapleton seemed to utilise the Land Registry House Price index, for Waltham Forest. The first comparable is 12, Nutfield Road, a first floor flat that is similar to the first floor flat in the subject property. It sold on 2 October 2014 for £250,000 and included a share of the freehold. Adjusted for time the price at the valuation date is £259,835. 83a Leslie Road is a first floor flat sold on 24 July 2015 at £265,000 for an unexpired term of 125 years. 61b Goodall Road is a first floor flat,

subject to a lease with an unexpired term of 108.7 years. It sold for £278,000 on 2 October 2015 and time adjusted this figure becomes £263,840. From these comparables and making a deduction of £3,000 for improvements (double glazing and central heating), Mr Stapleton suggests that the unimproved freehold value for the First Floor Flat is £260,000.

7. The comparables examined for the Ground Floor Flat Using are 71 Huxley Road a ground floor flat subject to a new 99 year lease that sold in June 2015 for £290,000. This is adjusted for time and to equate this to a virtual freehold transaction, and the consequential figure is £296,980. 9 Buckingham Road is a ground floor flat that sold in October 2014 for £289,995. This is subject to an unexpired term of just less than 99 years. Adjusting for time and lease length, this comparable becomes £304,418 at the valuation date. 160 Major Road, a ground floor flat subject to an unexpired lease of 167.3 years, sold in October 2015 for £297,500. Adjusted for time, this becomes £282,347 at the valuation date. From these comparables and making a deduction of £3,000 for improvements (double glazing and central heating), it is suggested that the unimproved freehold value for the Ground Floor Flat is £291,600. A deferment rate of 5% is proposed.
8. As to relativity, Mr Stapleton considered the relativity graphs for Greater London and the remainder of the UK. The average of South East Leasehold, Nesbitt & Company, Austin Gray, Andrew Pridell Associates and Beckett and Kay produces 92.25 % for 69.5 years and 92.77% for 70.5 years.
9. By inputting these figures into a recognised valuation formula, Mr Stapleton calculates the premium to be £33,005.00.
10. The Tribunal comments on these submissions in the findings section below

FINDINGS.

11. In essence the Tribunal is prepared to adopt the capitalisation and deferment rates proposed. These seem appropriate given the reserved ground rent and the provisions of Sportelli as to deferment rates. The detailed calculations for the capitalisation of the ground rents have been fully set out. The Tribunal considers that this element of the valuation is reasonable and determines this element at the proposed figures.
12. As to the freehold interest in the two flats, Mr Stapleton provided three comparables for each flat. He has made appropriate adjustments to these sale prices and the resulting values for the long lease interests are within the range suggested by the comparable evidence. Likewise, Mr Stapleton has taken a conventional approach to the issue of relativity

and has used the average of the outer PCL graphs, which is entirely appropriate. Therefore, taking these elements into account the Tribunal adopts the sum of £33,005.00 as proposed as the premium for the collective enfranchisement of the subject property.

13. The Tribunal is also required to determine any other sums payable under section 27(5) of the Act. There are no details as to whether any ground rent or service charges have been demanded. However, if the Respondent landlord has not served any rent demands in the statutory form and no arrears of rent are payable and therefore no sum is therefore payable into court under section 27(5) of the Act.
14. In respect of the form of the draft Transfer, TR1, this is approved.

Helen Bowers
Valuer Chair

27 May 2016

ANNEX - 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