



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

Case Reference : GM/LON/OOBH/OAF/2020/0003

HMCTS : P: PAPERREMOTE

Property : 87 Cairo Road, London, E17 3BB

HMCTS Code : P: Paper

Applicant : Andrew John Kenneth Sidford and
Jeannete Penny

Representative : Streathers Highgate LLP

Respondent : Unknown (missing landlord)

Representative : None

Type of Application : Enfranchisement

Tribunal Members: Judge Robert Latham
Sarah Phillips MRICS

Venue of hearing : Alfred Place, London WC1E 7LR

Date of Decision : 12 August 2021

DECISION

(1) The Tribunal determines that price to be paid into court in respect of purchase of the freehold of 87 Cairo Road, London, E17 3BB is £8,182.

(2) The Tribunal approves the draft proposed transfer in form TR1 which has been submitted by the Applicant.

Description of Hearing

This has been a hearing on the papers (“P”). The Directions provided for a paper determination and neither party has requested an oral hearing. This is a missing landlord case. There has therefore been no appearance by the Respondent. Pursuant to these Directions, the Applicant has provided the Tribunal a Bundle of Documents including a valuation report.

Background

1. On 14 January 2020, Deputy District Judge Harris, sitting in the County Court at Edmonton, made an order pursuant to Section 27 of the Leasehold Reform Act 1967 (“the Act”) vesting the freehold title in 87 Cairo Road, London, E17 3BB (the “Property”) in the Applicant.
2. The District Judge ordered that the matter be transferred to this Tribunal to determine the terms upon which the applicant shall be entitled to acquire the Property.

Evidence

3. We have been provided with a valuation report by Mr Christopher Stone, FRICS, of Prickett and Ellis Surveyors Limited, dated 10 March 2020. He has computed the premium payable in accordance with Section 9(1) of the Act. He computes the premium to be £8,173. We largely agree with his assessment, but make a small adjustment in respect of the modern ground rent. We compute the premium payable to be £8,182.

Lease details

4. The Respondent missing landlord is the lessor of the Property which is a two-storey mid terrace house constructed late in the nineteenth century, with a loft conversion forming a second floor and two ground floor extensions. It would appear that the loft conversion and the extensions have been carried out in the last ten years.
5. The Applicants do not have a copy of the lease and one is not available from the Land Registry. However, the Official Copy of Register of Title records that the lease is dated 6 October 1896 and grants a term of 199 years from 25 December 1895 at an annual rent of £5.

Valuation date

6. The valuation date is 2 September 2019, namely the date of the application to the Court (Section 27 (1) (2)(a)).

Basis of Valuation

7. Mr Stone computes the freehold value of the Property to be £750,000. He has had regard to three sales in Cairo Road. The first is the sale of the Subject

Property in August 2015 for £635,000. He has adjusted this for time using the Land Registry Index for terraced house in Waltham Forest. His second, relates to 17 Cairo Road which was put on the market, but did not sell. The third is the sale of 11 Cairo Road in September 2019 for £690,000. We approve this figure.

8. Mr Stone assesses the freehold value without the tenant's improvements as £675,000. The improvements are the loft conversion and the ground floor extensions. We approve this.
9. The site value has been assessed as £262,500, namely 35% of the freehold value of the Property. This is appropriate.

Capitalisation Rate

10. Mr Stone has adopted a figure of 7% for the current ground rent of £5 pa. He has adopted 5% for the modern ground rent. We approve this.

Deferment Rate

11. We approve the "Sportelli" rate of 4.75% for deferment.

Calculation of the Premium

12. We attach our valuation which computes a premium of £8,128. This includes three elements:

(i) Value of the Term Ground Rent assessed on the reserved rent of £5 pa over 75.32 years: £71;

(ii) Value of the Section 15 Reversion (the Modern Ground Rent assessed on 5% of the site value for the subsequent 50 years): £6,086; and

(iii) The Value of the Ultimate Reversion (which is assessed on £675,000, namely the freehold value without the tenant's improvements): £2,025.

Judge Robert Latham
12 August 2019

Tribunal's Valuation

Valuation Date (VD)	02.09.2019
Unexpired Term	75.32
Ground Rent at VD	£5.00
Modern Cap Rent	£13,125.00
Modern Cap Rate	5.00%
Capitalisation Rate	7.00%
Deferment rate	4.75%
Freehold Value	£750,000.00
Freehold Value minus extension	£675,000.00
Site Value 35%	£262,500.00

Calculations

Ground Rent				
Years Purchase	75.32	years@	7.00%	£5.00 <u>14.1983</u>
				£70.99

Modern Ground Rent				
Years Purchase	50	years@	5.00%	£13,125.00 18.2559
PV of £1 in	75.32	years @	5.00%	0.0254
				£6,086.06

Reversion				
Capital Value				£675,000.00
PV of £1 in	125.32	years @	4.75%	<u>0.003</u>
				£2,025.00
				£8,182.05

Rights of Appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made **by e-mail** to the First-tier Tribunal at the regional office which has been dealing with the case.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

