



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

**Case Reference** : CHI/29UK/OCE/2022/0013

**Property** : 48 & 48A St John's Hill, Sevenoaks, Kent,  
TN13 3NU

**Applicant** : 1) Mrs Patricia Anne Young  
2) Mrs Bernadette Frances Butterworth

**Representative** : Wellers Reece-Jones

**Respondent** : The Trustees of the V J Neal Trust  
Missing Landlord

**Type of Application** : Collective enfranchisement  
Leasehold Reform Housing and Urban  
Development Act 1993 (Missing Landlord)  
(The Act)

**Tribunal Member** : Mr W H Gater FRICS  
Regional Surveyor

**Date of Decision** : 13 October 2022

1. By a Vesting Order (Claim No. HOO ME091) of District Judge Thomas sitting at the County Court at Medway and dated 13 April 2022 the Tribunal is required to determine such terms and such price as are appropriate under the Act.
2. The Tribunal made directions on 1 September 2022 indicating that the application would be dealt with on the papers unless the applicant objected within 28 days. No objection has been received and the matter is therefore determined in accordance with Rule 31 of the Tribunal's Procedural Rules.
3. Directions also required the submission of a bundle to include a Valuer's expert report complying with certain requirements and a draft transfer.
4. The bundle contains an expert valuation report from Mr Thomas Andrew Olden MSc, MRICS dated 28 April 2022 in which he values the premium to be £31,398 as at 2 January 2022 being the date of the application to the County Court.
5. The Tribunal has not inspected the property.

### **Evidence**

6. Mr Olden's report describes the property as a two-storey semi-detached property built in the 1930's and comprising two self-contained maisonettes, number 48 on the Ground Floor and number 48A on the First Floor.
7. The building is of traditional construction and located on a predominately residential road of Sevenoaks, about one mile from Sevenoaks station.
8. The maisonettes are described as follows;
9. Number 48 has an entrance Hall, Living Room, Kitchen, two double Bedrooms, a Bathroom/WC and small under stair storage room. There are small private gardens to the front and rear. Access to the property and rear garden is shared with the first floor maisonette.
10. The property has upvc framed replacement windows and gas fired central heating. The property measures 55.21 sq. metres and is described as being in good condition.
11. Number 48A has a hall, Living Room, Kitchen, two double Bedrooms, a Bathroom/WC and small under stair storage room. There is a small private garden to the rear. Access to the property and rear garden is shared with the first floor maisonette.

12. The property has upvc framed replacement windows and gas fired central heating. The property measures 57.50 sq. metres and is described as being in reasonable condition.
13. Both maisonettes are held on 125 year leases commencing on 25 December 1975 with unexpired terms of 78.92 years and with a fixed ground rent of £10 per annum each.

Valuation of the term and reversion.

14. Mr Olden is of the opinion that a capitalisation rate of 7% is appropriate for the fixed ground rent term. He bases this on ground rent provisions in similar cases he has advised on.
15. He adopts a deferment rate of 5% for the value of the reversion, in line with the decision in Sportelli.
16. In arriving at the market value of the flats Mr Olden has relied on the sale prices of 3 comparable maisonette sales, numbers 50, 50a and 52 St Johns Hill. He adjusts for date using a house price index for Sevenoaks, and for size and condition.
17. Using this data he arrives at a valuation of the long leasehold interest in each maisonette, excluding improvements at £265,000.
18. In calculating the value of the freehold, Mr Olden considers there is a 1% difference between long leasehold interest and Freehold Vacant Possession Value (FHVP). He values the FHVP of each flat at £267,677.
19. Mr Olden reports that in the absence of any recent sales of short lease property it appropriate to use relativity graphs, citing the guidance in the Upper Tribunal cases of Sloane Stanley Estate v Mundy (2016) UKUT0226 (LC) (Mundy) and Deritend Investments (Birkdale) Limited-v-Treskonova UT 2020 UKUT 0164 (LC). (Deritend).
20. He selects a relativity for the short lease of each property at 89.45% based on approved graphs.
21. In calculating the premiums to be paid under the Act he notes that, as the properties have leases with less than 80 years remaining, an addition for marriage value must be made.
22. Applying the above variables Mr Olden arrives at the following premiums.

48 St John's Hill :	£15,699
48 A St John's Hill:	£15,699
Total :	£31,398

## **Form of transfer**

23. A draft TR1 appears on page 224 of the bundle.

## **Decision**

### **Valuation of premium.**

24. The Tribunal notes that Mr Olden does not support his choice of capitalization rate by market evidence which is regrettable. Nevertheless, using it's own expertise and noting that his valuations follow current practice and case law, the Tribunal accepts Mr. Olden's valuations.
25. His report and Appendix 7 show the valuation of the Ground Floor maisonette only. This valuation is accepted for the First-Floor maisonette also. This is shown at Appendix 1.
26. The Tribunal therefore determines that the total premium to be paid for the freehold interest is **£31,398**. This is based on a premium of £15699 per maisonette.

## **TR1**

27. The draft TR1 is approved subject to the following amendments;
28. Panel 9 : the correct consideration shall be inserted in the first section.
29. Panel 10: shall be amended to Limited Title Guarantee.
30. Panel 12: insert "This transfer is executed for the purposes of chapter 1 of part 1 of the Leasehold Reform Housing and Urban Development 1993".
31. Panel 13: add "Signed as a Deed by the officer of the Court nominated to execute this deed on behalf of (name of transferor) in accordance with the Order of the Court dated 13 April 2022."

## Appendix 1

CHI/29UK/OCE/2022/0013  
48 & 48A St John's Hill, Sevenoaks, Kent, TN13 3NU

Mr Olden's Valuation for 48 St John's Hill.

Olden Property Consulting

Lease Extension Valuation

48 St John's Hill	Lease Expiry			25/12/2100		
Seven Oaks	Valuation Date			21/01/2022		
Kent	Years Remaining on Leases			78.92		
TN13 3NU	Flat Size		sqm			
	Freehold Value	100%		£267,677		
	Extended Lease Value	99%		£265,000		
	Existing Lease Value	89.45%		£239,437		
	Current Ground Rent Per Annum			£10.00		
	Interest Rate to capitalise ground rent			7.00%		
	Interest rate to calculate freeholders reversion			5.00%		
<b>Part 1: Loss of Freeholder Present Interest</b>						
<b>Term 1 Ground Rent</b>	£10					
YP	78.92 yrs @	7.00%		14.217	£	142
<b>Reversion to FHVP Value</b>						
FHVP Value				£267,677		
PV	78.92 yrs @	5.00%		0.021264503	£	5,692
						£ 5,834
<b>Diminution in the Value of the Landlords Interest</b>						
<b>Plus</b>						
<b>Part 2: Marriage Value – Only Applicable for leases with less than 80 years unexpired</b>						
Value of Flat with extended lease				£265,000		
Value of Landlords Interest after collective enfranchisement			£	-	£	265,000
Less						
Value of Flat with Existing Lease		89.45%	£	239,437		
Value of Landlords Interest			£	5,834	£	245,271
Marriage Value					£	19,729
Freeholders Share @				50%		£ 9,864
<b>Premium Payable</b>						<b>£ 15,699</b>

## **RIGHTS OF APPEAL**

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to [rpsouthern@justice.gov.uk](mailto:rpsouthern@justice.gov.uk) to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.