



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

Case Reference : CHI/45UH/OCE/2022/0002

Property : 27 Salisbury Road, Worthing BN11 1RD

Applicant : Peter Doyle
Lesley Victoria Goldray-Hobbs
Ann Rowena Hughes
Peter Charles Collis

Representative : Coole Bevis LLP

Respondent : Keriakos Palikares
Missing Landlord

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

Tribunal Member : D Banfield FRICS
Regional Surveyor

Date of Decision : 26 April 2022

DECISION

1. By an Order (Claim No. HooWG261) of Deputy District Judge Browne sitting at the County Court at Worthing and dated 9 December 2021 the Tribunal is required to determine the “appropriate sum” from which the Claimants’ costs assessed at £3,764.60 should be deducted.
2. The Tribunal made directions on 15 March 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 Ms Myfanwy Fisher-Verall BSc(Hons), MSc, MRICS of Julian Wilkins & Co dated 8 April 2022 in which she values the premium to be £68,522 as at 9 December 2021 being the date of the application to the County Court.
5. The Tribunal has not inspected the property.

Evidence

6. Ms Fisher-Verall’s comprehensive report describes the property as a three-storey detached block built circa 1925 and converted into 4 flats around 1987 being the date the flat leases were granted.
7. The building is of traditional construction and located on an established residential road on the western edge of Worthing town centre. Adjoining the property to the north is a school with its playing and sports areas and to the west is a substantial care home facility. No off-street parking is provided.
8. The accommodation is as follows;
 - a. Flat 1: Ground floor, 2 rooms, kitchen, shower room and rear garden. 35 sq.m.
 - b. Flat 2: Ground floor, bedroom, kitchen/lounge, bathroom with WC. 43 sq.m.
 - c. Flat 3: First and second floor maisonette, kitchen, lounge, shower room and separate WC on the first floor with 2 bedrooms and bathroom above. 77 sq.m.
 - d. Flat 4: First floor, 2 rooms, kitchen, Bathroom/WC. 47 sq.m.
9. Flats 1, 2 and 4 are held on 99 year leases commencing on 29 September 1986 with unexpired terms of 63.8 years. Flat 3 is held on a lease of 189 years commencing 29 September 1986 with an unexpired term of 153.8 years at the valuation date.
10. Ground rents are;

- a. Flat 1: £90 pa rising to £180 pa from 2052
- b. Flats 2 & 4: £100 pa rising to £200 pa from 2052
- c. Flat 3: Peppercorn rent

11. Ms Fisher-Verall is of the opinion that a capitalisation rate of 7% giving her reasons for so determining. – The Tribunal agrees.

12. Ms Fisher-Verall follows Cadogan and adopts a deferment rate of 5%. The Tribunal agrees.

13. Ms Fisher-Verall considered the sale of Flat 1 on 7 September 2017 and Flat 2 on 4 September 2018 sold on leases of 68.06 and 67.07 years respectively but in view of the time difference does not consider the sales to be helpful. In the absence of any recent sales of short lease property Ms Fisher-Verall considers it appropriate to use relativity graphs for which she selects the Savills 2015 unenfranchiseable graph at 80.73 and the Gerald Eve 2016 unenfranchiseable graph at 80.87% giving an average of 80.80%. The Tribunal agrees.

14. In arriving at the market value of the flats Ms Fisher-Verall has relied on the sale prices of 12 comparables which she adjusts for date using the Land registry house price index, size and amenities such as gardens and parking spaces. Using the most appropriate comparable to each of the flats she arrives at valuations of;

- a. Flats 1&2 £203,500
- b. Flat 3 £202,500
- c. Flat 4 £171,000
- d. Other areas nil

15. In calculating the value of the freehold Ms Fisher-Verall considers there is a 1% difference between flats with long leases and those with a share of the freehold.

16. Applying the above variables Ms Fisher-Verall arrives at the following premiums;

- a. Flat 1 £23,990
- b. Flat 2 £24,069
- c. Flat 3 £113
- d. Flat 4 £20,350
- e. TOTAL £68,522

Form of transfer

17. A draft TR1 appears from page 533 of the bundle.

Decision

Valuation

18. The Tribunal accepts Ms Fisher-Verall's valuations in their entirety and which are shown at Appendix 1.
19. The Tribunal therefore determines that the total price to be paid for the freehold interest is £68,522.
20. After deducting costs of £3,764.60 as directed in the Order the sum of £64,757.40 is to be paid into court.

TR1

21. The draft TR1 is approved subject to the following amendments;
22. Panel 8; Delete the receipt by the transferor and insert "The sum of £64,757.40 (sixty-four thousand seven hundred and fifty-seven pounds and forty pence) has been paid into Court.

D Banfield FRICS
Regional Surveyor

26 April 2022

Appendix 1

ENFRANCHISEMENT VALUATION UNDER THE LEASEHOLD REFORM AND URBAN DEVELOPMENT ACT 1993 -SCHEDULE 6

PROPERTY: FLAT 1, 27 SALISBURY ROAD

| | | | |
|--------------------------------------|------------|---------|----------------|
| Valuation date | 09/12/2021 | | |
| Unexpired lease | 63.80 | | |
| Existing L/hold Value | £166,072 | | |
| FH/Ex LH Differential (Relativity) | 80.80% | | |
| FHVP Value | £205,535 | | |
| Extended lease value | £203,500 | | |
| FH/LH difference | 1 % | | |
| Premium | £23,990 | | |
| GIA | | | |
| £/sq ft | | | |
| Term | | | |
| Existing Ground Rent | | | £90.00 |
| YP 30.80 years @ | 7 % | 12.5079 | £1,126 |
| Review to | | | £180.00 |
| YP 33 years @ | 7 % | 12.7538 | |
| PV 30.8 years @ | 7 % | 0.124 | £286 |
| Review to | | | £0.00 |
| YP 0 years @ | 7 % | 0.0000 | |
| PV 63.8 years @ | 7 % | 0.013 | £0 |
| Review to | | | £0.00 |
| YP 0 years @ | 7 % | 0.0000 | |
| PV 63.8 years @ | 7 % | 0.013 | £0 |
| Review to | | | £0.00 |
| YP 0 years @ | 7 % | 0.0000 | |
| PV 63.8 years @ | 7 % | 0.01334 | £0 |
| | | | £1,411 |
| Reversion | | | |
| VP Value of Freehold | | | £205,535 |
| PV 63.80 years @ | 5 % | 0.04448 | £9,141 |
| | | | £9,141 |
| <i>Total diminution in interests</i> | | | £10,553 |
| Marriage Value | | | |
| Value of New Lease to lessee | 100 % | 203,500 | £203,500 |
| Less | | | |
| Landlords' existing value | | 10,553 | |
| Plus lessee's existing value | | 166,072 | |
| | | | £176,625 |
| Marriage Value | | | £26,875 |
| Premium to Freeholder | | | |
| Diminution in interest | | £10,553 | |
| Share of marriage value | | £13,438 | |
| TOTAL | | | £23,990 |

ENFRANCHISEMENT VALUATION UNDER THE LEASEHOLD REFORM AND URBAN
DEVELOPMENT ACT 1993 -SCHEDULE 6

PROPERTY: FLAT 2, 27 SALISBURY ROAD

| | | | |
|--------------------------------------|-------------------|----------------|-----------------|
| Valuation date | 09/12/2021 | | |
| Unexpired lease | 63.80 | | |
| Existing L/hold Value | £166,072 | | |
| FH/Ex LH Differential (Relativity) | 80.80% | | |
| FHVP Value | £205,535 | | |
| Extended lease value | £203,500 | | |
| FH/LH difference | 1 % | | |
| Premium | £24,069 | | |
| GIA | | | |
| £/sq ft | | | |
| <u>Term</u> | | | |
| Existing Ground Rent | | £100.00 | |
| YP 30.80 years @ | 7 % | <u>12,5079</u> | £1,251 |
| Review to | | £200.00 | |
| YP 33 years @ | 7 % | <u>12,7538</u> | |
| PV 30.8 years @ | 7 % | <u>0.124</u> | £317 |
| Review to | | £0.00 | |
| YP 0 years @ | 7 % | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | <u>0.013</u> | £0 |
| Review to | | £0.00 | |
| YP 0 years @ | 7 % | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | <u>0.013</u> | £0 |
| Review to | | £0.00 | |
| YP 0 years @ | 7 % | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | <u>0.013</u> | £0 |
| Review to | | £0.00 | |
| YP 0 years @ | 7 % | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | <u>0.01334</u> | £0 |
| | | | £1,568 |
| <u>Reversion</u> | | | |
| VP Value of Freehold | | £205,535 | |
| PV 63.80 years @ | 5 % | <u>0.04448</u> | £9,141 |
| | | | £9,141 |
| <i>Total diminution in interests</i> | | £10,710 | |
| <u>Marriage Value</u> | | | |
| Value of New Lease to lessee | 100 % | 203,500 | |
| | | | <u>£203,500</u> |
| Less | | | |
| Landlords' existing value | | 10,710 | |
| Plus lessee's existing value | | <u>166,072</u> | |
| Marriage Value | | | <u>£176,782</u> |
| | | | <u>£26,718</u> |
| <u>Premium to Freeholder</u> | | | |
| Diminution in interest | | £10,710 | |
| Share of marriage value | | £13,359 | |
| TOTAL | | | £24,069 |

ENFRANCHISEMENT VALUATION UNDER THE LEASEHOLD REFORM AND URBAN
DEVELOPMENT ACT 1993 SCHEDULE 6

PROPERTY: FLAT 3, 27 SALISBURY ROAD

| | | | | |
|---|-------------------|--|----------------|-------------|
| Valuation date | 09/12/2021 | | | |
| Unexpired lease | 153.80 | | | |
| | | | | |
| FHVP Value | £204,525 | | | |
| Extended lease value | £202,500 | | | |
| FH/LH difference | 1 % | | | |
| Premium | £113 | | | |
| | | | | |
| <u>Term</u> | | | | |
| Existing Ground Rent | | | £0.00 | |
| YP 153.8 years @ | 5 % | | <u>19.9890</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 5 % | | <u>0.0000</u> | |
| PV 153.8 years @ | 5 % | | <u>0.001</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 5 % | | <u>0.0000</u> | |
| PV 153.8 years @ | 5 % | | <u>0.001</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 5 % | | <u>0.0000</u> | |
| PV 153.8 years @ | 5 % | | <u>0.001</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 5 % | | <u>0.0000</u> | |
| PV 153.8 years @ | 5 % | | <u>0.001</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 5 % | | <u>0.0000</u> | |
| PV 153.8 years @ | 5 % | | <u>0.00055</u> | £0 |
| | | | | £0 |
| | | | | |
| <u>Reversion</u> | | | | |
| VP Value of Freehold | | | £204,525 | |
| PV 153.80 years @ | 5 % | | <u>0.00055</u> | £113 |
| | | | | |
| <u>Total diminution in interests</u> | | | £113 | |
| | | | | |
| Premium to Freeholder | | | TOTAL | £113 |
| | | | | |

ENFRANCHISEMENT VALUATION UNDER THE LEASEHOLD REFORM AND URBAN
DEVELOPMENT ACT 1993 -SCHEDULE 6

PROPERTY: FLAT 4, 27 SALISBURY ROAD

| | | | | |
|---|-------------------|------------|----------------|-----------------|
| Valuation date | 09/12/2021 | | | |
| Unexpired lease | 63.80 | | | |
| Existing L/hold Value | £139,550 | | | |
| FH/Ex LH Differential (Relativity) | 80.80% | | | |
| FHVP Value | £172,710 | | | |
| Extended lease value | £171,000 | | | |
| FH/LH difference | 1 % | | | |
| Premium | £20,350 | | | |
| GIA | | | | |
| £/sq ft | | | | |
| <u>Term</u> | | | | |
| Existing Ground Rent | | | £100.00 | |
| YP 30.80 years @ | 7 % | | <u>12.5079</u> | £1,251 |
| Review to | | | £200.00 | |
| YP 33 years @ | 7 % | | <u>12.7538</u> | |
| PV 30.8 years @ | 7 % | | <u>0.124</u> | £317 |
| Review to | | | £0.00 | |
| YP 0 years @ | 7 % | | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | | <u>0.013</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 7 % | | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | | <u>0.013</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 7 % | | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | | <u>0.013</u> | £0 |
| Review to | | | £0.00 | |
| YP 0 years @ | 7 % | | <u>0.0000</u> | |
| PV 63.8 years @ | 7 % | | <u>0.01334</u> | £0 |
| | | | | £1,568 |
| <u>Reversion</u> | | | | |
| VP Value of Freehold | | | £172,710 | |
| PV 63.80 years @ | 5 % | | <u>0.04448</u> | £7,681 |
| | | | | £7,681 |
| | | | £9,250 | |
| <u>Total diminution in interests</u> | | | | |
| <u>Marriage Value</u> | | | | |
| Value of New Lease to lessee | | % | 171,000 | |
| | | 100 | | £171,000 |
| Less | | | | |
| Landlords' existing value | | | 9,250 | |
| Plus lessee's existing value | | | <u>139,550</u> | |
| Marriage Value | | | | <u>£148,799</u> |
| | | | | <u>£22,201</u> |
| <u>Premium to Freeholder</u> | | | | |
| Diminution in interest | | £9,250 | | |
| Share of marriage value | | £11,100 | | |
| TOTAL | | | £20,350 | |

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 rpcsouthern@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.