



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

Case reference	:	JM/LON/00AY/OCE/2020/0129
HMCTS Code (paper, video, audio)	:	P: PAPERREMOTE
Property	:	258 Rosendale Road SE24 9DL
Applicant	:	Rosendale Management Co Ltd
Representative	:	Amphlett Lissmore
Respondent	:	Mr MF Rigg
Representative	:	Not represented
Type of application	:	Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal members	:	Mr A Harris LLM FRICS FCI Arb
Date of determination and venue	:	23 August 2022 at 10 Alfred Place, London WC1E 7LR
Date of decision	:	22 August 2022

DECISION

Covid-19 pandemic: description of hearing

This has been a remote hearing on the papers which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because one was not requested and all the issues could be dealt with on paper. The documents that the Tribunal were referred to are in the applicants bundle of 197 pages.

Summary of the tribunal's decision

- (1) The appropriate premium payable for the collective enfranchisement is **£16,068**.

Background

1. This is an application made by the applicant nominee purchaser pursuant to section 24 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for a determination of the premium to be paid for the collective enfranchisement of 258 Rosendale Road SE24 9DL (the “property”).
2. By a notice of a claim dated 2 December 2019, served pursuant to section 13 of the Act, the applicant exercised the right for the acquisition of the freehold of the subject property and proposed to pay a premium of £10,000 for the freehold.
3. On 2 February 2020, the respondent freeholder served a counter-notice admitting the validity of the claim and counter-proposed a premium of £17,000 for the freehold.
4. On 29 July 2020, the applicant applied to the tribunal for a determination of the premium and terms of acquisition.

The issues

Matters agreed

5. There are no matters agreed.

Findings of fact

6. The tribunal finds the following matters:
 - (a) The subject property is a converted late Victorian house arranged on 3 floors and converted to 3 flats;
 - (b) The valuation date: 2 December 2019;

(c) Details of the tenants' leasehold interests:

Flat	Lessee	term	Ground rent pa
Ground Floor	Lydia Zurrin	125 years from 25 March 2006	£ 100.00
First Floor	Madeleine & Dominic Coelho	125 years from 25 March 2006	£ 250.00
Second Floor	Faisal Hameed	125 years from 25 March 2006	£ 250.00

- (d) Ground rent: As shown in the table and payable throughout the term. The lease for the ground floor has a typed ground rent of £100 pa with some hand written comments which are not initialled and not therefore a term of the lease. The other two leases are £250 pa
- (e) Unexpired terms at valuation dates: 111.30 years;
- (f) Capitalisation of ground rent: 6% per annum; and
- (g) Deferment rate: 5%.
- (h) There is no development hope value;

The hearing

7. The case was decided on paper on 23 August 2022. The applicant was represented by Mr D O'Doherty who submitted a detailed bundle and a valuation prepared by Mr J Mortimer MRICS. The respondent was not represented and made no submissions.
8. Neither party asked the tribunal to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.

Comparable evidence

9. The Following comparables were submitted by Mr Mortimer.

Address	description	date	price
Flat 11, Block J, Peabody Estate, Rosendale Road SE24	3rd fl 2 bed converted flat, 716 sq ft no garden	02/12/2019	£ 447,500
22 Norwood Road SE24	2 bed converted flat ground floor 688 sq ft	07/01/2019	£ 495,000
Flat B 209 Norwood Rd SE24	2 bed first floor converted flat 582 sq ft	09/09/2020	£ 430,500
225b Norwood Rd SE24	2 bed first floor converted flat 618 sq ft	17/10/2019	£ 458,000
219 Norwood Rd SE24	Ground Floor 2 bed converted flat Garden 655 sq ft	07/12/2018	£ 490,000

The tribunal has relied on its knowledge and experience and finds that the evidence is appropriate to the case. The tribunal accepts Mr Mortimers assessment of the extended lease values as follows

Ground Floor	£	495,000
First Floor	£	450,000
2nd floor	£	<u>430,000</u>
total	£	1,375,000

Capitalisation rate

10. Mr Mortimer has used a rate of 6% in his valuation but no reasons are given. However he is an experienced valuer and this rate is in line with other tribunal decisions and the tribunal accepts this is an appropriate rate.

Deferment rate.

11. Mr Mortimer has used the Sportelli rate of 5% which the tribunal agrees is appropriate.

Freehold value

12. Mr Mortimer has used the extended lease value rather than add the conventional 1%. The tribunal makes this adjustment.

Development hope value

13. The tribunal considers the property is fully developed and there is no prospect of further added value.

The premium

14. The tribunal determines the appropriate premium to be **£16,068**. A copy of its valuation calculation is annexed to this decision.
15. The submissions show charges against the freehold title and the valuation has been prepared on the basis these will be cleared by the respondent before completion.

Name: Mr A Harris LLM FRICS FCI Arb
Valuer Chair

Date: 23 August 2022

Appendix: Valuation setting out the tribunal's calculations

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 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).

CASE REFERENCE LON/00AC/OLR/2014/0106

**First-tier Tribunal
Property Chamber (Residential Property)**

**Valuation under Schedule 6 of the Leasehold Reform Housing and
Urban Development Act 1993**

Address	258 Rosendale Road			
Case Reference	LON/00AY/OCE/2020/0219			
Basic Information				
Valuation Date	02 December 2019			
Existing lease Expiry Date	24 March 2131			
Years unexpired	111.30			
Existing Ground Rent	£600			
Basis of review				
Freehold value	£1,388,750			
Extended lease value	£1,375,000			
Capitalisation Rate	6.00%			
Deferment Rate	5.00%			
Term Value				
Ground rent				£ 600.00
YP	111.30	Years @	6.00%	16.6412
PV of £1	0	Years @	6.00%	<u>1.00</u>
Term Value				£ 9,985
Reversion value				
Reversion to freehold value				£1,388,750
Pv of £1	111.30	Years @	5.00%	<u>0.00438</u>
Reversion value				<u>£ 6,084</u>
Total Premium payable				£ 16,068