



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

Case reference : MM/LON/00BC/OCE/2022/0097

Property : 152 and 152a Maybank Rd, London E18
1EL

Applicants : Tracey Louise Prevett(1)
David Lynn Evans (2)

Representative : Ronald Fletcher & Co LLP, solicitors
Maida Vale London W9

Respondent : Ashif Lalani (Missing Landlord)

Type of application : Section 26 and 27 of the Leasehold
Reform, Housing and Urban
Development Act 1993 (as amended)
("the Act") for a determination of the
valuation of the freehold

Tribunal member : Mr Charles Norman FRICS (Valuer
Chairman)

Date of decision : 23 August 2022

Determination based on Written Representations

DECISION

- (1) This has been a remote determination on the papers which has not been objected to by the parties. The form of remote hearing was P: PAPERREMOTE. A face to face hearing was not held because it was not practicable, no-one requested the same, and all issues could be determined on paper. The documents that the Tribunal was referred to are in a bundle of 103 pages the contents of which the Tribunal has noted. The Decision made is set out at Paragraph (2) below.

Decisions of the Tribunal

- (2) The Tribunal determines that the price for the freehold of the property known as 152 and 152a Maybank Rd, London E18 1EL pursuant to Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the 1993 Act”), is **£9,079 (nine thousand and seventy nine pounds)**

Reasons

Introduction

1. This matter relates to an application made under section 26 and 27 of the Leasehold Reform, Housing and Urban Development Act (as amended) (“the Act”) for a determination of the price payable for the freehold of the property known as 152 and 152a Maybank Rd, London E18 1EL (“the property”).
2. By proceedings brought under CPR Part 8 and issued on 25 May 2021 (“the valuation date”), the Applicants applied for a vesting order. By an Order made by Deputy District Judge Tear sitting in the County Court at Central London dated 30 May 2022 the matter was transferred to the Tribunal for the valuation of the freehold.
3. The Tribunal issued directions on 30 June 2022 requiring a bundle to be provided by 11 August 2022 which was provided. The Applicants were given an opportunity to request a remote video hearing, but have not done so and the matter has therefore come before me for determination based on written representations, in accordance with rule 31 of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 (“the rules”). The Tribunal is not currently carrying out inspections except in special circumstances and I did not consider that an inspection was necessary or proportionate in this case.

Expert Evidence

4. An experts’ valuation report dated 29 July 2022 was provided by Mr Ross Maunder Taylor, MRICS AMAE, RICS registered valuer, of Messrs Maunder Taylor, Chartered Surveyors, 1320 High Rd, Whetstone, London N20 9HP. Mr Maunder Taylor has been qualified since 2019. His report is correctly addressed to the Tribunal and contains the declarations required from expert witnesses by the Tribunal and the

RICS. I am satisfied that Mr Maunder Taylor is suitably qualified to give expert evidence and fully understands his duties to the Tribunal.

5. The substantive valuation sections of the report may be summarised as follows. Mr Maunder Taylor inspected the property on 4 July 2022. The property comprises a two storey semi-detached building of masonry construction under a pitched and tiled roof. Ms Prevett owns the ground floor flat. Mr Evans owns the first floor flat. The property was built post-war. To the left-hand side of the front elevation is a driveway leading to a rear garden with three garages. The garages are held under separate freehold titles and do not form part of the valuation. The first applicant owns one garage and the second applicant the other two garages. A photograph of the front elevation was included.
6. The ground floor flat has its own entrance and comprises two bedrooms, bathroom, kitchen, living room and understairs cupboard. The leasehold title plan indicates that the ground floor flat has the front half of the rear garden. Internal floor area is 58.3 m².
6. The first floor flat also has its own entrance and comprises two bedrooms bathroom kitchen and living room. This flat also has 50% of the rear garden being the rear section. The floor area is 67.2 m².
7. Both leases were dated 6 March 1989 and were granted for a term of 152 years from 25 December 1961 at a fixed ground rent of £12.60 per annum. Each lease therefore had over 80 years unexpired and accordingly there was no marriage value payable.
8. Mr Maunder Taylor adopted a capitalisation rate of 8% on the basis that the ground rent was small and fixed. He adopted 5% for the deferment rate relying on *Sportelli*.
9. As to extended lease value (virtual freehold vacant possession value) Mr Maunder Taylor referred to 3 comparables, details of which were provided.
10. 131 Maybank Rd was two bedroom ground floor flat sold in May 2022 for £385,000. The selling agent informed Mr Maunder Taylor that the flat had sole use of the rear garden, was in good condition and had a lease with 92 years remaining and a floor area of 64 m². Mr Maunder Taylor opined that the purchaser may consider the need to undertake a lease extension in the near future and would therefore deduct those anticipated costs from the value. Accordingly he would expect each flat at the subject property to achieve more than this comparable.
11. 141 Maybank Rd was a two bedroom first floor flat sold in April 2021 for £404,000. It comprises two bedrooms, living room, kitchen, and bathroom. The flat was in very good condition and had a section of rear garden. It was held under a long lease with over 100 years unexpired. The floor area was approximately 69.4 m². Mr Maunder Taylor opined that this comparable was similar to the first floor flat at the subject

property and he would therefore expect it to achieve about the same price.

12. Mr Maunder Taylor also referred to a 2/3 bedroom flat on Crescent Road E18 which had been under offer since the end of June 2022 at £450,000. The vendors agent would not identify the door number but the flat was said to be split over first and second floors and comprised one bedroom living room dining room kitchen and bathroom on the first floor with one bedroom and a shower room on second floor. The flat had a section of rear garden included, and a long unexpired lease of over 900 years. The floor area was 104.1 m². This comparable had been extended into the loft space and was larger than the subject properties. Mr Maunder Taylor would therefore expect each flat at the property to achieve less than this comparable.
13. From the above research, Mr Maunder Taylor opined that each flat would be worth £400,000 with extended leases.

Relativity of the Extended Lease Values to Freehold Value

14. Mr Maunder Taylor considered that the relevant extended lease values should amount to 99% of the [virtual] freehold values.

Findings

15. I agree with the deferment rate. I prefer a capitalisation rate of 7% for the ground rent.
16. I note that the property is end of terrace, rather than semi-detached. As to the extended lease values, I prefer the comparable at 141 Maybank Road. This is because the lease is long and the property is very nearby. I agree that the unexpired term of 92 years at 131 Maybank Road is too short to be considered a long lease for comparable purposes. I consider that the flat in Crescent Road is substantially larger which reduces its relevance as a comparable.
17. I note that the first floor flat at the subject property being 67.2 sq. m is slightly smaller than 141 Maybank Road and find that the extended lease value of the first floor flat at 152 Maybank Road is £402,000. I note that the ground floor flat at the subject property is significantly smaller at 58.3 sq. m and for that reason determine the extended long lease value at £390,000. I therefore find that the aggregate value of the extended leases is £792,000. I agree with the 99% relativity as between extended long lease and freehold values. I do not agree that the calculation should be reduced by the future freehold reversion in 182.58 years' time and this approach is inconsistent with Mr Maunder Taylor's reasoning at Para 5.3.1. Such a calculation is only required in connection marriage value which does not apply in this case.

18. My calculation is attached in the Appendix.

Name: Mr Charles Norman FRICS **Date:** 23 August 2022

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.