



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

**Case Reference** : LON/OOAY/OCE/2017/0188

**Property** : 38 Corrance Road, London SW2 5RH

**Applicant** : 1. Robert Gagshaw and  
2. Pamela Buxton

**Representative** : Gould & Company

**Respondent** : Patrick Ryan (missing landlord)

**Representative** : None

**Type of Application** : Enfranchisement

**Tribunal Members:** Judge Robert Latham  
Miss Marina Krisko BSc FRICS

**Date and venue of Hearing** : Paper determination on 17 October 2017 at  
10 Alfred Place, London WC1E 7LR

**Date of Decision** : 17 October 2017

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**DECISION**

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(1) The Tribunal determines that price to be paid into court in respect of purchase of the freehold of 38 Corrance Road, London, SW2 5RH is £16,150.

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

## **Background**

1. On 25 July 2017, District Judge Zimmels, sitting at the Lambeth County Court made an order pursuant to Section 26 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") dispensing with the need to serve an Initial Notice as required by Section 13 of the Act. He ordered that the matter be transferred to this Tribunal to determine the valuation and the terms upon which the Respondent's freehold interest in 38 Corrance Road, London, SW2 5RH ("the premises") are to be transferred.

## **Evidence**

2. We have been provided with a valuation report by Mr James Holt, BSc (Hon) MRICS dated 21 September 2017. He computes the premium to be £16,150.

## **Lease details**

3. The Respondent missing landlord is the lessor of the premises which comprises a three storey mid-terrace Victorian property constructed in the late 19<sup>th</sup> century.

(i) 38a Corrance Road is a ground floor garden flat with a living room, bedroom, bathroom and kitchen. The lease is dated 21 February 1985 and is for a term of 125 years from 29 September 1984. The unexpired term at the valuation date is 92.4 years. The lease is subject to a ground rent namely (i) £50 pa for the first 25 years; (ii) £75 pa for the second 25 years; (iii) £100 pa for the third term of 25 years; (iv) £15 pa for the fourth term of 25 years and (v) £150 pa for the remainder of the term. The flat benefits from the provision of double glazed units and Mr Holt states that he has made an adjustment of £2,500 to the market value to reflect this.

(ii) 38b Corrance Road is a two bedroom flat situated on the first and second floors with a separate living room, bathroom, wc and kitchen. The lease includes the demise of the roof space. The lease is dated 3 May 1985 and is for also a term of 125 years from 29 September 1984. The unexpired term at the valuation date is 92.4 years. The lease is subject to same ground rent. Mr Holt consider that there is a limited development value at some future time for the landlord, namely a roof extension. The lessee would require the landlord's consent for such a conversion. Mr Holt assess the "profit" element at £6,170, and assesses the landlord's proportion to be some 33% to 50% of this. Since planning permission would be required, Mr Holt takes the lower figure of 33% and assesses the landlord's compensation to be £2,055.

## **Valuation date**

4. The valuation date is 9 May 2017, namely the date of the application to the Court (s.27 (1) (b)).

## **Hypothetical Unimproved Long Leasehold Value of each Flat**

### 38a Corrance Road

5. Mr Holt has regard to five comparables: (i) 90 Ballater Road; (ii) 43 Corrance Road; (iii) 42 Solon Road; (iv) 60 Solon Road; and (v) 47a Corrance Road. He assesses the long leasehold value of Flat 38a to be £480,000. The value of the five comparable ranges from £462,500 to £516,000. 90 Ballister Road is the lowest, but Mr Holt notes that the asking price had been £540,000. 43 Corrance Road is the highest, but this had been modernised, whilst retaining some period features. If these are excluded, the three values are £455,000; £499,950 and £490,000. The figure adopted by Mr Holt is close to the average of these three comparables.

### 38b Corrance Road

6. Mr Holt has regard to three comparables: (i) 60 Corrance Road (£600,000); (ii) 53 Ballater Road (£630,000); and (iii) 56 Gleneld Road (£612,500). He assesses the long leasehold value of Flat 38b to be £615,000. This is close to the average of the three comparable.

### **Capitalisation Rate**

7. Mr Holt has adopted a capitalisation rate of the ground rent of 4.5%. He could have argued for a higher rate of 6%, but the figure that he has adopted favours the landlord.

### **Deferment Rate**

8. We approve the "Sportelli" rate of 5% for deferment which Mr Holt has adopted.

### **Calculation of the Premium**

9. We have checked Mr Holt's calculation. We note the following:
  - (i) He has made the traditional 1% adjustment to compute an unimproved freehold values.
  - (ii) In computing the value of the reversion he has taken the long leasehold values to be £480,000 for Flat 38a and £615,000 for Flat 38b. It may be that he should have used the figures of £477,500 for Flat 38a (to discount the improvements) and £617,055 for Flat 38b (to take into account the limited development potential in the roof space). However, these adjustments are modest and would largely cancel each other out. The effect on the calculation would be £8 which is insignificant.
10. We conclude that we should adopt Mr Holt's computed premium of £16,150. He suggests an equal apportionment between the two participating flats. We rather determine that the premium should be apportioned £7,079 to 38a and £9,071 to 38b reflecting the difference in value between the two flats.

**Judge Robert Latham**  
**17 October 2017**

**RIGHTS OF APPEAL**

1. 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.
2. 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.
3. 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.
4. 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.