

**LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT
ASSESSMENT PANEL**

**APPLICATION UNDER SECTION 24 OF THE LEASEHOLD REFORM,
HOUSING AND URBAN DEVELOPMENT ACT 1993, AS AMENDED**

Applicants: Jonathan Hooker, Tamra Jane Hooker and Angela Louise Fitch

Respondent: Eugene Coyle (Absent Landlord)

Re: 240 Capworth Street, London, E10 7HL

Paper Hearing Date: 14 November 2005

Members of the Leasehold Valuation Tribunal:

Mrs J S L Goulden

Mr P M J Casey MRICS

Date of Decision:

240 CAPWORTH STREET, LONDON, E10 7HL

1. The Tribunal was dealing with an application under Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993, as amended (hereinafter referred to as “the Act”), for a determination as to the price payable on the collective enfranchisement of the ground, first and second floor flats at 240 Capworth Street, London, E10 7HL (hereinafter referred to as “the property”).
2. Directions issued by the Tribunal on 5 October 2005 indicated that it was considered that this matter could be dealt with by way of a Paper Hearing unless either party made representations to the contrary within 14 days of the date of such Directions. No representations were received by the Tribunal and accordingly a Paper Hearing was held on 15 November 2005.
3. The Applicants are Jonathan Hooker, Tamra Jane Hooker and Angela Louise Fitch.
4. The Qualifying Tenants have long leases of their respective flats in the property as follows:
 - (i) **Ground Floor Flat** – By a lease between Eugene Coyle and Marion Bailey for a term of 99 years from 24 June 1987.
 - (ii) **First Floor Flat** – By a lease dated 28 August 1987 between Eugene Coyle and Roland Cocks and Tina Sheppey for a term of 99 years from 24 June 1987.
 - (iii) **Second Floor Flat** – By a lease dated 9 October 1978 between Eugene Coyle and Charles James Corrway and Ruth Ellen Lindsell for a term of 99 years from 24 June 1987.

5. The Applicants, the tenants of the First and Second Floor Flats, constitute two-thirds of the Qualifying Tenants (as defined by Section 5 of the Act) of the Property.
6. The Respondent is Eugene Coyle, the present whereabouts of whom is unknown.
7. A Vesting Order was obtained by the Applicants from Bow County Court on 2 September 2005 following their application dated 6 January 2005.
8. By the Order dated 2 September 2005 the Applicants were ordered to apply to the Leasehold Valuation Tribunal to determine the terms of acquisition and the provisions of the Transfer of the freehold of the property. An application was made to the Tribunal on 22 September 2005.
9. The Applicants provided a valuation report prepared by Mr L A Nesbitt BSc (Hons) FRICS of Nesbitt and Mire and dated 31 October 2005. In his report, Mr Nesbitt has taken the valuation date as the date of County Court Order, namely 2 September 2005. However, the provisions of the Act as now amended would indicate that the valuation date is the date of the application to the County Court providing that that date was after the appropriate date. In this instance, the application predates the amendment to the valuation date in the Sixth Schedule. The valuation date is therefore the date of the Determination by the Tribunal. The Tribunal is satisfied that values have not altered between those two dates and that the unexpired terms of the Applicants' leases still exceed 80 years and therefore marriage value is not payable by them.
10. In his report Mr Nesbitt describes the property's location description and accommodation as follows:-

"LOCATION"

The property is located on the north side of Capworth Street, opposite its junction with Lee Hall Road within the London Borough of Waltham Forest.

The property is served by shopping and transport facilities along nearby Leyton High Road and it is served by Leyton Midland Road Station.

Capworth Street is a residential street comprising a mix of converted flats and two storey houses. No parking restrictions apply in the street and the property is served by all usual residential amenities including nearby Leyton Orient Football Stadium. The property is located adjacent to a pleasant public garden known as Cambrian Gardens.

DESCRIPTION

The property comprises a three storey end of terrace property constructed with solid London Stock brick elevation walls (rendered) beneath a timber pitched and tile clad roof.

The property was originally constructed as a two storey single house in the late 19th century. It is set back from the pavement line by a small front garden and there is a private garden to the rear. The rear garden measures approximately 50' in depth and demised with the ground floor flat. The property has been extended into the roof space and converted to provide three self contained flats – one per floor ...

ACCOMMODATION

I have been informed that all three flats comprise one bedroom, living room, kitchen and bathroom/WC. Internal access was provided to one sample flat being the first floor flat and I set out in more detail the accommodation of this flat as follows:-

First Floor Flat Right Hand Side:

<i>Entrance Lobby:</i>	<i>With doors to:-</i>
<i>Bedroom (Front)</i>	<i>Measuring 12' 0" x 10' 10" plus bay with splay bay window to front aspect.</i>
<i>Reception Room:</i>	<i>Measuring 12' 6" x 11' 9" with fireplace, window to rear aspect.</i>

Kitchen: Measuring 5' 7" x 14' 2" fitted with range of wall and base units, wall mounted central heating boiler, and window to rear aspect.

Bathroom/WC: With bath, pedestal wash hand basin, WC (internal).

Note: Gas fired central heating with radiators to all rooms

Rear Garden: Measuring approximately 50' in depth demised to ground floor flat.

11. Given the Tribunal's knowledge of the locality, together with Mr Nesbitt's report, it was not considered necessary for the Tribunal to inspect.
12. Mr Nesbitt values the freehold/extended lease value of each of the three flats in the property at £110,000 based on the sale of the second floor flat in January 2004 at that figure, the present marketing of the first floor flat at an asking price of £119,995 and the sale of a new first floor flat at 40 Lange Park Road in September 2005 at £150,000 for a new 99 year lease.
13. In the view of the Tribunal, given that the second floor flat had an 82 year lease when sold for £110,000, Mr Nesbitt's freehold/extended lease values appear somewhat on the low side. The Tribunal adopts a figure of £115,000 for each flat.
14. In respect of yield, Mr Nesbitt applies a capitalisation and deferment rate of 7% in support of which he refers to his involvement with seven sales at auction in October 2004 of a number of freehold properties which had been converted into flats.
15. The information supplied in respect of those sales is considered by the Tribunal to be somewhat limited in that no details of the lease terms or ground rents payable have been supplied.
16. Mr Nesbitt states that the average yield from the seven sales at auction was 6.6%, the range being 6.25% to 7.25%.

17. The Tribunal is unable to check Mr Nesbitt's figures given the lack of information supplied but from its own knowledge and experience, the rate he has suggested is at the low end of the expected range for a property of this nature in this location. Accordingly, the Tribunal adopts this figure as not being disadvantageous to the Freeholder.
18. Mr Nesbitt contended for a collective enfranchisement price of £5,600 and his valuation is attached at Appendix A.
19. The Tribunal determines that the collective enfranchisement price should be £5,675. The slight increase is due to the Tribunal's view of the value of the freehold/extended lease value of the individual flats which has a small effect on the value of the Freeholder's revision. In the circumstances it is not thought necessary to append a separate valuation by the Tribunal.
20. The Tribunal has no information as to whether there are outstanding arrears of service charges or ground rents which have been properly demanded. The Tribunal therefore makes no Order in this respect as part of the purchase price.
21. With regard to the draft transfer supplied by the Applicants' solicitors, this is approved as amended at Appendix B.

CHAIRMAN



DATE

8/12/05

JG

VALUATION:**THE LEASEHOLD REFORM, HOUSING URBAN AND DEVELOPMENT ACT 1993**

DATE: 31/10/2005

PROPERTY

210 Capworth Street, London, E10

Valuation Date

02/09/2005**LEASE DETAILS**

Commencement

24/06/1987

7.00%

Reversionary rate %

Term

99

7.00%

Capitalisation rate %

Expiry date

23/06/2086

Unexpired term

80.80

Rent receivable by landlord

£200.00**£350.00****£750.00****VALUES**

No. of Flats 3

FHVP £110,000 each

£330,000

LHVP

£330,000**100.00%**

Differential

VALUE OF FREEHOLDER'S INTEREST**TERM 1**

LOSS OF RENT

x YP 9.75 years @ 7.00% £200.00
6.8997**TERM 2**

LOSS OF RENT

x YP 33.00 years @ 7.00% £350.00
x PV 9.75 years @ 7.00% 12.7538
0.5170

£1,380

£2,308

TERM 3

LOSS OF RENT

x YP 33.00 years @ 7.00% £750.00
x PV 42.75 years @ 7.00% 12.7538
0.0554

£530

REVERSION

FHVP

x PV 80.80 years @ 7.00% £330,000
0.004

£1,394

CALCULATION OF MARRIAGE VALUE**Total £5,612**

Leases in excess of 80 years therefore ignored

Take

50%

Marriage Value

£0

Continued...../

PRICE PAYABLE TO FREEHOLDER

Plus Value of Freehold Interest
 Freeholders Share of Marriage Value

£5,612
 £0

Total	£5,612
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Say	£5,600
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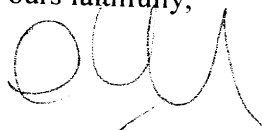
CONCLUSION:

I am of the opinion that the Price applicable for Enfranchisement in respect of 240 Capworth Street, London, E10 is fairly represented in the sum of :-

£5,600

(Five thousand six hundred pounds)

Yours faithfully,



LAURENCE NESBITT

31st October 2005

DATED

Transfer of whole of registered title(s)

If you need more room than is provided for in a panel, use continuation sheet CS and attach to this form.

1. Stamp Duty

Place "X" in the appropriate box or boxes and complete the appropriate certificate.

☐ It is certified that this instrument falls within category ☐ in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987

☒ It is certified that the transaction effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds the sum of

£/20 000

☐ It is certified that this is an instrument on which stamp duty is not chargeable by virtue of the provisions of section 92 of the Finance Act 2001

2. Title Number(s) of the Property *Leave blank if not yet registered.*

EGL131382

3. Property

240 Capworth Street Leyton London E10 7HL

4. Date

5. Transferor *Give full name(s) and company's registered number, if any.*

Eugene Coyle

6. Transferee for entry on the register *Give full name(s) and company's registered number, if any. For Scottish companies use an SC prefix and for limited liability partnerships use an OC prefix before the registered number, if any. For foreign companies give territory in which incorporated.*

Jonathan Hooker Tamra Jane Hooker and Angela Louise Fitch

Unless otherwise arranged with Land Registry headquarters, a certified copy of the Transferee's constitution (in English or Welsh) will be required if it is a body corporate but is not a company registered in England and Wales or Scotland under the Companies Acts.

7. Transferee's intended address(es) for service (including postcode) for entry on the register *You may give up to three addresses for service one of which must be a postal address but does not have to be within the UK. The other addresses can be any combination of a postal address, a box number at a UK document exchange or an electronic address.*

240 Capworth Street Leyton London E10 7HL

8. The Transferor transfers the property to the Transferee

9. Consideration *Place "X" in the appropriate box. State clearly the currency unit if other than sterling. If none of the boxes applies, insert an appropriate memorandum in the additional provisions panel.*

☒ The Transferor has received from the Transferee for the Property the sum of *In words and figures.*

Five thousand six hundred and Seventy five pounds (£5675) has been paid

☐ *Insert other receipt as appropriate.* *into Court pursuant to an Order made under Section 26(1)*

☐ The transfer is not for money or anything which has a monetary value