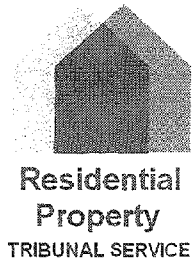


1535.



THE RESIDENTIAL PROPERTY TRIBUNAL SERVICE

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL UNDER
SCHEDULE 13 OF THE LEASEHOLD REFORM, HOUSING AND URBAN
DEVELOPMENT ACT 1993**

- Property** : 53 Sportsbank Street, Catford, London SE26 2EY
- Applicant** : Keith Joseph French & Cecilia Mary Cuggeran (tenant)
- Respondent** : Christopher John Aherne & Marcelle Maria Aherne (landlord)
- Appearances** : None

Members of the Leasehold Valuation Tribunal

Mr D.L.Edge FRICS...
Mrs T.I.Rabin JP.....

Date of Decision : 17 October 2007

53 SPORTSBANK STREET, CATFORD, LONDON SE26 2EY

BACKGROUND

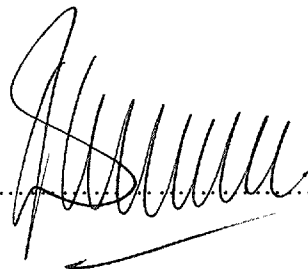
1. This is an application made pursuant to an order made by District Judge Pollard in the Brighton County Court under Section 50(1) of the Leasehold Reform Housing and Urban Development Act 1993 ("the Act") on 12 July 2007 dispensing with the service of a Notice under Section 42 of the Act with a view to issuing a vesting order under Section 50 of the Act.
2. Section 51(1) of the Act provides that the Tribunal must determine the "appropriate sum" to be paid into Court as the price for the new lease in a flat.
3. The Applicants are Keith Joseph French and Cecilia Mary Cuggeran, the long leaseholders of the ground floor flat 53 Sportsbank Street, "the Property". The Respondent freeholders are Christopher John Aherne and Marcelle Maria Aherne, who cannot be traced, and are 'missing landlords'.
4. Following the application to the County Court (undated, but presumed to be the same date as the 'Details of Claim' which is dated 20 April 2007) by the Applicants seeking an order pursuant to Section 50(1) of the Act, the District Judge issued the order dispensing with the service of the Section 42 Notice and will make a vesting order under Section 50(1) when the Tribunal has determined the premium to be paid under Schedule 13 of the Act.
5. The Applicants provided a bundle of documents including a valuation report from Richard J. Inniss BSc FRICS FCI Arb of South East Surveys dated 16 March 2007, and a copy of his valuation is attached as Appendix B.
6. Mr Inniss provided details of sales of four comparable properties, two of which were in the same road as "the Property", and said that the value of two bedroom flats of similar type and construction were currently on the market within the range £165,000 to £200,000 and assessed the extended lease value of "The Property", excluding improvements, at £160,000.
7. Mr Inniss considered that the correct deferment rate for premises such as "the Property" should not follow the decision in *Sportelli* as the subject flat was dissimilar from the high quality flats in central London which gave rise to the decision in *Sportelli* and that the appropriate deferment rate should be 6%. The Tribunal takes the view that the decision in *Sportelli* should be followed, as any difference in the types of property would be reflected in the freehold vacant possession values. In addition, the decision in *Sportelli* makes it clear that this is to be appropriate rate in all enfranchisement calculations unless there are exceptional circumstances. The Tribunal will therefore adopt a deferment rate of 5%.

8. Mr Inniss had adopted a capitalisation rate of 9%, but as the ground rent is fixed at a peppercorn only and of no value, the Tribunal has, in this instance, adopted the same rate. The Tribunal did not agree with the reduction he had made of 15% for the reversionary value to reflect obsolescence, and made no reduction in respect of this, since the lessee, with a full repairing and insuring lease, will be responsible for maintaining the property for the full term.
9. Mr Inniss had adopted a valuation date of the 20 March 2007 at which time he calculated that the lease had 64.61 years remaining. The Tribunal has taken the valuation date as the date of the Application to the Court, which appears to be 20 April 2007, at which time the unexpired term is calculated at 64.58 years.
As to relativity, Mr Inniss said that he had regard to the College of Estate Management Report on relative values (which indicated a range between 92.33% and 94.90% for an unexpired term of 64.61 years), and to his own dealings and experience which was in the region of 88% to 91%.
10. The Tribunal is aware that the College of Estate Management Report was compiled in 2000 and was based upon LVT decisions only. For those reasons the Tribunal would not wish to rely on the Report. The Tribunal prefers the range based on Mr Inniss's own recent experience, and determines the relativity at 90%

DECISION

11. The Tribunal determines that as at the valuation date of 20 April 2007 the premium to be paid in respect of the lease extension of 90 years of "the Property" is £11,425.
A copy of their valuation is attached as Appendix A.

Chairman.....



D.L.Edge FRICS

DATED: 17 October 2007

53 SPORTSBANK STREET, CATFORD, LONDON SE26 2EY

VALUATION OF PREMIUM FOR NEW LEASE
IN ACCORDANCE WITH SCHEDULE 13 OF THE
LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

Lease: - 99 years from 20 November 1972.

Expiry date: - 19 November 2071.

Valuation Date: 20 April 2007 (Date of Application to Court)

Unexpired Term at Valuation Date: - 64.58 years.

Ground rent: - £peppercorn p.a. (fixed)

Capitalisation rate: 8%

Deferment rate : 5%

Extended lease value: - £160,000 unimproved, with 154.58 years unexpired.

Existing lease value (@ 90% relativity) - £144,000

Freeholder's Present Interest

Ground Rent	nil		
YP 64.58 years @ 9%	<u>11.0686</u>		nil
Reversion to	160,000		
Deferred 64.58 years @ 5%	<u>0.042815</u>		
		<u>6,850</u>	
			6,850
<u>Marriage Value</u>			
Value of reversion		160,000	
<u>Less</u>			
Freeholder's present interest	6,850		
Leaseholder's present interest @ 90%	<u>144,000</u>		
		<u>150,850</u>	
Marriage value		9,150	
Freeholder's share of marriage value @ 50%			4,575
Compensation for other loss			<u>nil</u>
			11,425

Premium payable for 90 year lease extension - **£11,425**

Property Address: 53 Sportsbank Street, Catford, London, SE6

<u>Calculation Variables:</u>	
Term starts	20/11/1972
Term expires	21/11/2071
Length of term	99
Unexpired	64.61
Ground Rent	£0.00
Yield - Term	9.0%
Yield - Reversion	6.0%
Relativity	90.90%
Uplift	10.01%
Extended lease value	£160,000
Extended lease value less 15%	£136,000
Existing lease value	£145,440
Valuation Date	20/03/2007

Diminution in value of freehold

- Ground Rent			0.00		
YP	64.61 years @	9.0%	<u>11.069</u>		0
Reversion to			136,000		
PV £1 in	64.61 years @	6.0%	<u>0.023</u>	<u>3,151</u>	3,151

Marriage Value

Value of flat with extended lease		160,000	
Less			
Value of flat with existing lease	145,440		
Diminution in value of freehold	<u>3,151</u>	<u>148,591</u>	
Marriage Value		11,409	
Freeholders Share		<u>50%</u>	<u>5,705</u>

Premium to be paid **£8,855**

Say **£8,850**