



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

Case Reference : LON/00AQ/OLR/2015/1366

Property : Flat C, 39, Glenalmond Road,
Harrow, Middlesex, HA3 9JY

Applicant : Mr M Shafiq

Representative : Dawn Solicitors

Respondent : No Defendant

Representative : None (missing landlord)

Type of Application : S50 Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)

Tribunal Members : Mrs H C Bowers MSc MRICS
BSc(Econ)

**Date and venue of
Determination** : 13 October 2015 at 10 Alfred Place,
London WC1E 7LR

Date of Decision : 13 October 2015

DECISION

The Tribunal determines that the price payable for the new lease of Flat C, 39 Glenalmond Road, Harrow, Middlesex, HA3 9 JY (the subject property) shall be £18,441.00 as set out on the attached schedule.

The sum of £300 is payable as sums due under the present lease until the valuation date.

REASONS

BACKGROUND

1. By an order made by District Judge Jones dated 3 August 2015 in the County Court at Slough in claim number BOOSL342 ("the Order") between the parties named on the front page of this decision the matter was remitted to this Tribunal for the price and any other payments to be determined pursuant to section 51(5) of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act").
2. The Tribunal had before it a bundle prepared by the Applicant's solicitors. These papers included the Claim Form, the Order, various papers in relation to identification of the landlord, copies of the freehold and leasehold registers of title and the present lease. The present lease is dated 9 May 1986 and is for a term of 99 years from 1 January 1985. The original parties to the lease are Eric Parsons as Lessor and Colin David Graham and Claire Douglas as the Lessee.
3. In addition the Tribunal was provided with a copy of a revised report of Mr S M Cornish, PhD, MA, BSc, FRICS, FFPWS of Woodward Chartered Surveyors Limited dated 1 September 2015.
4. The valuation date under the current case is the date of the issue of the Claim Form, namely 5 May 2015. The Tribunal has considered the papers and in particular the report of Mr Cornish. The report is, to say the least succinct, and the Tribunal had to consider the valuation schedule attached to glean the rates applied for the capitalisation of the ground rent and deferment together with the relatively he wished to apply in this case. He put forward a schedule of 5 properties to be used as comparables, the details of which we noted. He concluded that the premium payable was £17,837.00.
5. The Tribunal comments on these submissions in the findings section below

FINDINGS.

6. In general the Tribunal are prepared to accept the values put forward by Mr Cornish. However the revised valuation report that indicated a valuation date of 5 May 2015 rather than 24 August 2015 made no allowance of this alteration in the mechanics of the valuation. The capitalisation and deferment rates seem appropriate given the reserved ground rent and the provisions of Sportelli as to deferment rates. As to relativity, he has relied on graph evidence and used the data from extremes of the data, namely Nesbitt and Co at 89.95% and South East Leasehold at 92.30% and averaged these figures out. If the data from the

RICS Graphs of Relativity is taken for the correct period of time of 68.66 years and the average of the five, non-prime, central London graphs are used, then the average is 91.69%. This figure is adopted by the Tribunal.

7. As to the long lease value Mr Cornish provides details of five two-bedroom flats with sale prices ranging from £331,500 to £275,000. The average of the five transactions is £298,700. Mr Cornish then submits that the purpose built flats as suggested from the comparables achieve higher prices. He therefore adopts a long lease value of £275,000. However the details of the comparables show a mixture of both purpose built and conversion properties. Due to the lack of any detailed analysis of these comparables, the Tribunal considers that it would be more prudent to adopt the average figure of £298,700 as the long lease value. By applying all these factors into the valuation the premium of £18,441.00 is calculated. This is shown in the Appendix to this decision.
8. The Tribunal is also required to determine any other sums payable under section 51(5). The bundle provided brief details that the Applicant had purchased the subject flat on 18 June 2007. It is stated that the ground rent has never been demanded or paid by the Applicant and that there are no service charges payable for the flat. Indeed the lease dated 9 May 1986 has no provision for the landlord to collect any service charge contributions or contributions towards the insurance premium. The ground rent fixed under the lease is £50 per annum. Under section 19 of the Limitation Act 1980, the period of limitation for the recovery of rent is six years. Therefore the ground rent arrears that should be paid into court up to the valuation date is £300.
9. Under the terms of the Order, the Tribunal has not been asked to consider the terms of the draft lease as anticipated under section 51 (3). However a copy of the draft lease is provided in the bundle and the Section 57 of the Act sets out that the terms of the new lease should be on the same terms as the existing lease, except as the term and the ground rent. Section 57 then sets out the limited exceptions as to when any terms of the new lease can be varied. The Applicant's solicitors make no submissions as to the terms of the new lease. However, the Tribunal identified the following differences that should be addressed:
 - a. The draft lease identifies that the original Lessee (Colin David Graham and Claire Douglas) as the Intermediate Lessee. This is clearly inappropriate, as the Applicant has taken an assignment of the present lease from the Lessee under that lease.
 - b. The draft lease states that the ground rent is £1. However, the provisions of the Act allow for a ground rent of a peppercorn.
 - c. Clause 3 of the draft contains the additional wording "on the procurement of invoice". This is unnecessary given the nature of the ground rent.
 - d. Clause 8 in the draft, has substituted the words "jointly appointed" in place of "Lessors". This should return to the original wording of "Lessors".

- e. The original paragraph 12 in the Fourth Schedule has been deleted and this should be reinstated in the draft.
- f. In the Fifth Schedule of the draft an additional paragraph 6 has been inserted. This should be deleted.

Helen Bowers
Valuer Chair

14 October 2015