



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

Case Reference : LON/00AZ/OLR/2015/1159

Property : 48b Muirkirk Road, London SE6
1BU

Applicant : Mr Ben Richard Cameron

Representative : Mr B R Cameron In Person

Respondent : Mr Andrew Tse Hing Thong
Ms Cyrstal Lily Thong

Representative : None

Type of Application : Section 51 Leasehold Reform,
Housing and Urban Development
Act 1993 – determination of the
appropriate sum and new lease
terms

Tribunal Members : Judge John Hewitt
Mr P Casey MRICS

**Date and venue of
Hearing** : 3 November 2015
10 Alfred Place, London WC1E 7LR

Date of Decision : 3 November 2015

DECISION

attributable to the final 33 years of the term has been deferred to the end of the lease. We have corrected these errors in the valuation we append to this decision.

12. We also had concerns at the value of £240,000 attributed the freehold value of the subject flat with vacant possession as at the valuation date of 1 April 2015. We raised these concerns with Mr Cameron and how they might be dealt with. Mr Cameron urged us not to adjourn the hearing, again, so that the valuer might attend to explain certain matters to us. Mr Cameron said that there were practical and cost implications.
13. Mr Cameron preferred that the tribunal draw on the accumulated experience and expertise of the members to arrive at the premium payable.
14. We take no issue with the valuer's application of a 5% deferment rate and a 6% capitalisation rate.
15. The subject property is a flat laid out over two floors with a GIA said to be 93 sq m (1,010 sq ft). The attic space has been adapted to provide two additional bedrooms albeit that one of them is quite small being 1.6m x 5.1 m (exclusive of restricted headroom under 1.5m).
16. The valuer has identified three comparable properties. All are first floor flats with GIA ranging between 602, 624, and 688 sq ft. Thus the subject property is between 40 and 50% greater in GIA than the comparables.
17. Mr Cameron said that in discussion with the valuer he was told that the comparables were largely in better condition and with superior fixtures and fittings but he could not say whether the valuer had inspected them or had relied upon information set out in selling agent's particulars.
18. We find that the information provided by the valuer does not support a valuation of the freehold of the subject property of £240,000 as at the valuation date. We are reinforced in this conclusion by the fact that according to Land Registry entries the price said to have been paid on a transfer dated 21 December 2007 was £240,000 and Mr Cameron said that he paid £237,000 in 2012.
19. Doing the best we can on the imperfect materials before us and drawing on our experience and expertise we find that the value as at the valuation date was £300,000.
20. Accordingly this produces a premium of £7,200.00 as shown in our valuation.
21. We find that there are no other sums to be taken into account by virtue of section 51(5) of the Act and accordingly determine the appropriate sum to be paid into court is £7,200.00

LON/00AZ/OLR/2015/1159

48b Muirkirk Road, London SE6 1BU

Premium payable on Grant of Extended Lease Calculated in accordance with Schedule 13

Valuation date: 1 April 2015

Unexpired term: 82.98 years

1. Value of freeholder's existing interest

a) Ground rent payable at valuation date	£100		
Capitalised at 16.98 years @ 6%	10.477 =	£1,047	
After first review capitalised @ 6% for 33 years	£150		
deferred 16.98 years	5.501	£ 825	
After second review capitalised @ 6% for 33 years	£200		
deferred 49.98 years	0.87	£ 173	
b) Reversion to freehold with vacant possession	£300,000		
deferred 82.98 years @ 5%	0.01743	<u>£5,229</u>	£7274

2. Value of freeholder's proposed interest

Reversion to freehold with vacant possession	£300,000		
deferred 172.98 years @ 5%	0.00022		<u>£ 66</u>
Diminution in value of freehold			£7,208

Premium payable say £7,200

DEED OF VARIATION

relating to

48B MUIRKIRK ROAD LONDON AND GARDEN GROUND SE6 1BU

between

ANDREW TSE HING THONG AND CRYSTAL LILY THONG

and

BEN RICHARD CAMERON

PRESCRIBED CLAUSES

LR1. Date of lease

LR2. Title number(s)

LR2.1 Landlord's title number(s)

SGL179694

LR2.2 Other title numbers

TGL163587

LR3. Parties to this lease

Landlord

Andrew Tse Hing Thong and Crystal Lily Thong

both of 48A Muirkirk Road Catford London SE6 1BU.

Tenant

Ben Richard Cameron

of 48B Muirkirk Road Catford London SE6 1BU

Other parties

None.

LR4. Property

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

See the definition of "Property" in clause 1.1 of the lease and clause 1(d) of the Lease.

LR5. Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

This lease is granted under section 56 of the Leasehold Reform, Housing and Urban Development Act 1993.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

None

Landlord's Covenants: the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

Lease: the lease by virtue of which the Tenant holds the Property, which is dated 25 June 1999 and made between (1) Ijaz Mukhtar Mian and Imtiaz Afzal Mian and (2) Jeffrey Linley Hoare.

Premium: £

Property: 48B Muirkirk Road London and Garden Ground SE6 1BU as more particularly described in and demised by the Lease.

Rent Payment Date: 25 March.

Tenant's Covenants: the obligations in this lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

Term: a term of 189 years beginning on and including 25 March 1999 and ending on and including 24 March 2188.

1.2 References to the landlord and tenant in the Lease shall be read as references to the Landlord and Tenant in this lease.

2. GRANT

2.1 In consideration of the Premium, the Landlord lets with full title the Property to the Tenant for the Term at the Annual Rent.

2.2 This grant is made on the terms of this lease which include the Incorporated Terms as if they were set out in full in this lease.

2.3 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.

2.4 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.

3. CHANGES TO THE LEASE

For the purposes of this lease only, the terms of the Lease shall be varied as set out in the Schedule and this lease shall be read and construed accordingly.

4. THE ANNUAL RENT

The Tenant shall pay the Annual Rent on or before the Rent Payment Date.

9. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this lease.

10. GOVERNING LAW

This lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

11. JURISDICTION

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this lease or its subject matter or formation (including non-contractual disputes or claims).

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Executed as a deed by Andrew Tse
Hing Thong in the presence of:

.....
SIGNATURE OF WITNESS
NAME
ADDRESS
OCCUPATION OF WITNESS

Executed as a deed by Crystal Lily
Thong in the presence of:

.....
SIGNATURE OF WITNESS
NAME
ADDRESS
OCCUPATION OF WITNESS

Executed as a deed by Ben Richard
Cameron in the presence of:

.....
SIGNATURE OF WITNESS
NAME
ADDRESS
OCCUPATION OF WITNESS