



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

Case Reference : **LON/00AZ/OLR/2018/1539**

Property : **37 Bradgate Road, Catford, London
SE6 4TT**

Applicant : **Pauline Sandra Lewis**

Representative : **Cavendish Legal Group**

Respondents : **(1) Bernard Andre Alleaume
(2) Ronald Stanley James**

Representative : **N/A**

Types of Application : **Lease extension**

Tribunal Members : **Judge Tagliavini
Mr. D Jagger MRICS**

**Date and venue of
Hearing** : **5 March 2018
10 Alfred Place, London WC1E 7LR**

Date of Decision : **5 March 2018**

DECISION

Decisions of the tribunal

- I. The tribunal determines that the premium payable by the Applicant leaseholder for the extension of the lease dated 1 August 1981 is £28,300.**
 - II. The terms of the new lease to be in the form of the draft lease provided by the Applicant.**
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The application

1. This is an application by the leaseholder which has been referred to the First-tier tribunal (“the tribunal”) by an order dated 19 November 2018 of the county court sitting at Bromley, for a determination of the premium payable for an extension of the lease dated 7 August 1981 and the terms of the new lease.

Background

2. Following an application made on 13 March 2018 by the Applicant, the county court sitting at Bromley granted the Applicant a vesting order dated 19 November 2018 as the Respondent landlord could not be found.

The premises

3. The subject premises comprise a one bedroom ground floor flat in a converted Victorian terrace house. The premises are subject to a lease dated 7 August 1981 granting a term of 99 years with effect from 25 December 1980.

The Applicant’s evidence

4. In support of the application for the determination of the premium payable, the Applicant relied upon the expert report of Timothy John Henson, BSc MRICS dated 4 February 2019. In his report Mr. Henson stated he regarded the date of valuation as 13 March 2018 being the date the application for a vesting order was made by the applicant to the county court.
5. Mr. Henson set out in his report that he had been able to inspect the subject property, finding it to be of a conventional construction for its type and age with solid brick wall beneath pitched and replacement slate roof coverings with windows having been replaced in timber sashes.
6. Mr. Henson stated in his report that he had examined evidence of comparable sales within a 0.25 mile radius of the subject property and

therefore relied upon four sales of comparable properties which had taken place between July 2017 and January 2018. Mr. Henson stated he had made adjustments to these four comparable properties to allow for the differences in size, condition, time and type as appropriate thereby producing an average figure of £6,345m². Applying this average figure to the gross internal floor area of 45m² for the subject property, Mr. Henson stated that this produced an average value of £285,525 (say £285,000) being the long leasehold value with the 1% to represent the freehold value of the subject premises. Having considered alternatives to the method of using a rate per square metre approach and the abolishment of stamp duty to properties costing less than £300,000 which, he stated has created a 'cut-off' point and held back values for properties in this range. Therefore, Mr. Henson adopted a value of £285,000 for the subject property.

7. Mr. Henson went on to state that he had analysed the expected level of relativity on a lease with an unexpired term of 61.78 years assisted by the RICS Research paper with graphs of relativity published in October 2009 producing a relativity for a property outside of the prime central London area of 87.14% and an average figure of 86.33% for the five properties he has considered for the purposes of this report. Mr. Henson went on to state he had reduced this average percentage figure by 2% to reflect the impact of a 'no Act World.'
8. Mr. Henson went onto to state that he had adopted a capitalisation rate of 7% as being appropriate for this ground rent of £30 per annum with no increases during the term. A deferment rate of 5% was adopted in line with the current case law and a 50/50 apportionment of marriage value as the term of the remaining lease is less than 80 years.
9. By adopting these figures, Mr. Henson produced a valuation of £28,300 upon which the Applicant relies.
10. The Applicant provided the tribunal with a copy of the draft lease it proposed that should be adopted.

The tribunal's decisions and reasons

11. No evidence was provided by the Respondent in this 'missing landlord' application and therefore the tribunal determined this matter on the documents provided by the applicant as no oral hearing had been requested.
12. In the absence of any evidence to the contrary, the tribunal finds that the Applicant's evidence in the form of Mr. Henson's report provides considered and reasonable evidence of the premium to be paid. The tribunal is satisfied that Mr. Henson has properly considered all matters including relativity and calculation of long lease value and deferment rate with proper use of a number of reasonable comparables.

13. Therefore, the tribunal does not consider that there is any reason to diverge from Mr. Henson's valuation. The tribunal confirms that the premium payable by the applicant to the Respondent landlord is £28,300.
14. The tribunal directs that the terms of the new lease are to be in the form of the draft lease provided by the Applicant.

Signed: Judge Tagliavini

Dated: 5 March 2019