



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

**Case Reference** : **MAN/00BS/OLR/2019/0006**

**Property** : **Flat 1 Laurel Court  
Laurel Road Stockport SK4 4PP**

**Applicant** : **Mr Stephen Thomas Ogden**  
**Representative** : **SAS Daniels LLP**

**Competent Landlord** : **William Wardle Builders Ltd**

**Intermediate Landlord** : **Blandmere Ltd**

**Type of Application** : **Leasehold Reform, Housing & Urban  
Development Act 1993 – Section 51(1)-(5)**

**Date of the Application** : **5 April 2019**

**Date of Application  
To County Court** : **28 September 2018**

**Tribunal Members** : **Mrs A J Rawlence MRICS  
Mrs S Hopkins FRICS**

**Date of Decision** : **26 July 2019**

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**DECISION**

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1. The Tribunal determines that the premium to be paid for a 90 year lease extension for the property known as Flat 1 Laurel Court, Laurel Road, Stockport SK4 4PP ("the Property") under the terms of the Leasehold Reform, Housing and Urban Development Act 1993 is **£6,980 to the Competent Landlord and a further £186 to the Intermediate Landlord excluding costs.**
2. The Tribunal orders the terms of the new lease to be granted to the Applicant pursuant to the order of Stockport County Court dated 28 September 2018 in claim number Eo2SKo28 are:

Term: a term of 188 years, 7 months and 10 days which started on 11 May 1977 and which is to end on 21 December 2165, both dates inclusive.

Management: Blandmere Limited to be added as a party to the lease as "the Management Company" and to covenant with the tenant and the landlord to observe and perform the obligations set out at Schedule 7 of the lease dated 10 August 1977 and made between Blandmere Limited (1) and Ruth Thandiwe Dube (2)("the Lease").

Lessee's covenants: The lessee's covenant contained at clause 2 of the Lease to observe and perform the obligations set out in the Sixth Schedule to the Lease is to be repeated in the new lease as a covenant given by the tenant to and for the benefit of the Management Company and the landlord.

3. Remaining terms: as per the draft lease attached to this order.

## **Reasons for Decision**

### **Introduction**

4. The Applicant holds Flat 1 Laurel Court, Stockport ("the Property") on the terms of the Lease from the Intermediate Landlord at a ground rent of £15 pa. The Lease term ends on 21 December 2075.
5. The Intermediate Landlord holds the reversionary interest in the Property on a lease ("the Intermediate Lease") from the Competent Landlord. The Intermediate Lease term ends on 31 December 2075.
6. The Applicant is entitled to a new lease extending the Lease term by 90 years and subject to a peppercorn rent, pursuant to section 39 and subsequent sections of the Leasehold Reform, Housing the Urban Development Act 1993 as amended ("the Act").

7. The Competent Landlord being a dissolved company, on 28 September 2018 the Applicant applied to the Stockport County Court pursuant to section 50 of the Act. He obtained a vesting order which provides that, following the decision of this Tribunal, the premium payable by the Applicant to the Competent Landlord for grant of the new lease is to be paid into court and the Applicant is to apply to the District Judge to execute the new lease.
8. The Applicant applied to this Tribunal for determination of the terms of the new lease, pursuant to section 51 of the Act. With his application the Applicant lodged a valuation report prepared for him Mr J. Davies MRICS dated 12 June 2018.
9. The Tribunal has made a paper determination as to the terms of the new lease. The Tribunal considered the valuation of the Property and the assumptions and calculations made by Mr. Davies. The Tribunal determines that the valuation of the lease extension premium reflecting market evidence provided is £6980 as per the attached valuation.
10. The Intermediate Landlord is entitled to compensation for loss of the ground rent to 21 December 2075. Mr. Davies valued this at £211. However the Tribunal has carried out its own valuation as follows:

Rent	£15.00 per annum
YP for 57.3 yrs @6.5% 2% (40%)	<u>12.376818</u>
Diminution in Value £186	

11. The Intermediate Landlord is a company owned by each of the 6 leaseholders at Laurel Court. Paragraph 22 (a) of the Sixth Schedule to the Lease reads:

"The Lessee shall procure that at all times the Owner for the time being of the Premises [i.e., the flat] holds the Lessee's share in the Lessor and is registered as a member of the Lessor as holder of that share."
12. At clause 3 of the Lease the Intermediate Landlord insure and repair the building, maintain the common parts, prepare service charge accounts and to carry out other management responsibilities as set out in Schedule 7 of the Lease. Notwithstanding the creation of a new lease, these responsibilities have still to be carried out by the leaseholders through their company Blandmere Limited. That company is therefore to be joined as a party to the new lease as "the Management Company", and to covenant with the tenant and the Competent Landlord in the terms of Schedule 7 of the Lease.
13. As a consequence of the Intermediate Landlord's re-designation as the Management Company, the lessee's obligations contained in the Sixth Schedule to the Lease are to continue as obligations owed to both the Competent Landlord and the Management Company, and in the new lease clause 2 of the Lease is to be amended accordingly.

14. Other terms of the Lease are to remain in effect and, subject to the changes recorded above, the new lease shall take the form of the draft lease attached to this Order.
15. Neither the Competent Landlord nor the Intermediate Landlord have incurred costs in this application and therefore no order is made for payment of costs by the Applicant.

**Appeal Provisions**

16. If any party is dissatisfied with this decision, they may apply to this Tribunal for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be received within 28 days after these written reasons have been sent to the parties (Rule 52 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).

**A J Rawlence MRICS**  
**Chair**  
26 July 2019

Valuation of 1 Laurel Court						
<b>Diminution of value to Intermediate Landlord</b>						
Rent per annum	£15,000					
YP for 57.61 yrs. @6.5% 2% (4.0%)	12.308					
		185.97				
<b>Premium to Competent Landlord</b>						
Market value of Existing Interest						
Profit rent	0					
Reversion to extended leasehold value	125,000					
PV of £1 in 57.61@5.5%	0.0457	5712.5				5666.4
Market value of Competent Landlord's interest after leasehold extension						
Extended leasehold value	125,000					
PV of £1 in 147.6 years @5.5%	0.000369	46.125				
Competent Landlord's share of Marriage Value						
Interests after leasehold extensions	46					
	£125,000					125046
Existing interests						
Market value of competent landlord's interest		5712.5				
relativity of 93.36%		116705				
Total of Values before Lease extension		122418				122418
						2628.5
<b>Marriage Value</b>						
						2628.5
Freeholder's 50% share						1314
						1314
						6980.4