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Residential  
Property  
TRIBUNAL SERVICE

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE  
DIRECTIONS BY LEASEHOLD VALUATION TRIBUNAL for the  
LONDON RENT ASSESSMENT PANEL**

**LEASEHOLD REFORM, HOUSING & URBAN DEVELOPMENT ACT 1993  
SECTION 48**

**LON/OOAQ/OLR/2009/0088**

**Premises:** 93b, Welldon Crescent, Harrow, Middlesex HA1 1QW

**Applicant:** Mary Thomas (Tenant)

**Respondent:** Brenda Lucia (Landlord)

**Directions:** Issued 9 February 2009

**Application to Court:** 30 July 2008

**1. Background**

This matter was transferred to the Leasehold Valuation Tribunal by Judge Steel by Order dated 15 September 2008 under Claim Number 8WI 03369.

The Order determined that the Claimant (Applicant) was a qualifying tenant of the subject flat and had a right under section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 ('The Act') to acquire a new lease.

Further, the Order determined that the Claimant was prevented from giving notice in accordance with the Act of her desire to have a new lease, because the landlord cannot be found.

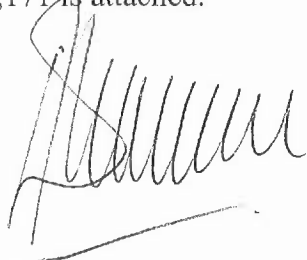
Further, with a view to the lease of the flat made between the Defendant (Respondent) of the one part and Stephen John Barron and Julie Margaret Sleaford of the other part for a term of 99 years from 30 October 1984 and which is now vested in the Claimant being surrendered in return for the grant of a new lease of the flat for a term of 189 years from 30 October 1984 at a peppercorn rent and for a premium to be determined by a Leasehold Valuation Tribunal.

## 2. Evidence

- 2.1 Standard Directions dated 9 February 2009 were issued by the Leasehold Valuation Tribunal requiring, *inter alia*, a valuation of the property, and a statement as to what improvements were to be disregarded for valuation purposes.
- 2.2 A valuation report was prepared by John Hennessy BSc (Hons) MRICS of Stephen J. Woodward Ltd, of Harrow on the Hill, in which a description of the property was provided, together with some external and internal photographs, and comparable valuation evidence.
- 2.3 The Tribunal relied on the description of the property as provided by Mr Hennessy, and considered that an inspection by the Tribunal was not necessary in the circumstances.
- 2.4 The property was said to comprise a ground floor flat in a late 19th century converted 2-storey terrace house. The Accommodation consists of 2 rooms, kitchen, bathroom (off kitchen) and a cloakroom. The flat has sole use of the rear garden, but has no garage or parking space.  
The flat has central heating, and internal decorations and fittings are said to be of a good standard, and the photographs provided confirm this.

## 3. Valuation

- 3.1 The Tribunal accepted Mr Hennessy's yield rate of 6.5% for capitalization of the Ground Rent, as it was on an escalating basis, and a little above a nominal sum.
- 3.2 The Tribunal also accepted Mr Hennessy's deferment rate of 5% in accordance with the *Sportelli* decision.
- 3.3 Mr Hennessy had taken the date of the Court Order (15 September 2008) as the valuation date, but the valuation date should be the date of the Application to the Court (30 July 2008). This makes a very slight difference in the unexpired term and other figures.
- 3.4 The Tribunal also accepted Mr Hennessy's figure of £180,000, but as the freehold value rather than as the long leasehold value, and made a 1% reduction from freehold to long leasehold.
- 3.5 The Tribunal accepted Mr Hennessy's relativity value of 91% from long leasehold to existing lease value, rounding the figure to £162,200.
- 3.6 The Tribunal's valuation for a 90-year lease extension of this flat in the sum of £13,171 is attached.



D.L.Edge FRICS

17 March 2009

93b, WELLDON CRESCENT, HARROW, MIDDLESEX HA1 1QWVALUATION OF PREMIUM FOR NEW LEASE  
IN ACCORDANCE WITH SCHEDULE 13 TO THE  
LEASEHOLD REFORM HOUSING AND URBAN DEVELOPMENT ACT 1993COMPONENTS

Valuation date:	30 July 2008 (date Application to Court)	
Lease:	99 years from 30 October 1984.	
	Unexpired term: 75.25 years	
	Ground rent:	£60.00 p.a. for 1st 33 years
		£90.00 p.a. for 2nd 33 years
		£120.00 p.a. for last 33 years
Values used:	Freehold value:	£180,000
	Long lease value:	£178,200
	Short lease value:	£162,200
	(relativity 91 % approx)	
Capitalisation rate:	6.5%	
Deferment rate:	5.0%	

Freeholder's existing interest

i) <u>Ground rent</u>		
(Term 1)	60	
YP 9.25 years @ 6.5%	<u>6.792</u>	408
(Term 2)	90	
YP 33 years @ 6.5%	13.459	
PV £1 def 9.25 years @ 6.5%	<u>0.5585</u>	
	7.517	677
(Term 3)	120	
YP 33 years @ 6.5%	13.459	
PV £1 def 42.25 years @ 6.5%	<u>0.0699</u>	
	0.9408	113
ii) <u>Reversion to f/h v.p.value</u>	180,000	
PV £1 @ 5% def 75.25 years	<u>0.0254</u>	
		<u>4,572</u>
Value of Landlords current interest		5,770

Freeholder's proposed interest

iii) Ground rent	nil	
iv) Freeholder's interest on reversion	180,000	
PV £1 @ 5% def 75.25 years	<u>0.0254</u>	
		4,572

Diminution in freeholder's interest

ii) Marriage value

Value of proposed interests		
Freeholder	4,572	
Tenant @ 99% FHVP	<u>178,200</u>	
		182,772
Less value of existing interests		
Freeholder	5,770	
Tenant @ 91% FHVP	<u>162,200</u>	
		<u>167,970</u>
Marriage value		14,802
Freeholder's share of marriage value @ 50%		<u>7,401</u>
		13,171
Premium payable for 90 year extension to existing lease		<b>£13,171</b>