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Residential
Property
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**RESIDENTIAL PROPERTY TRIBUNAL SERVICE
LEASEHOLD VALUATION TRIBUNAL for the
LONDON RENT ASSESSMENT PANEL
LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993**

LON/00AE/OLR/2009/0679

Premises:	First Floor Maisonette 47 Huddlestone Road London NW2 5DL
Applicant:	Miss Frances Purslow
Represented by:	Mr Gary Scott, Messrs Philip Ross
Respondent:	Mr Patrick O'Brien
Tribunal:	Mr NK Nicol Mr B Collins BSc FRICS
Date of Decision:	01/03/10

REASONS FOR DETERMINATION

1. The Applicant, having obtained a vesting order from the Willesden County Court on 14th September 2009, now seeks a determination as to the terms and premium for an extension to her lease of the First Floor Maisonette, 47 Huddlestone Road, London NW2 5DL in the absence of her missing landlord, the Respondent. Her solicitors have provided a comprehensive bundle of relevant documents, including an expert valuation report from Mr Jeremy Taylor BSc MRICS of Wenlock Taylor. In the circumstances, the Tribunal determined the application on the basis of the papers, without a hearing.
2. Schedule 13 to the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") provides that the premium to be paid by the tenant for the grant of a new lease shall be the aggregate of the diminution in the value of the landlord's interest in the tenant's flat, the landlord's share of the marriage value, and the amount of any compensation payable for other loss.
3. The value of the landlord's interests before and after the grant of the new lease is the amount which at the valuation date that interest might be expected to realise if sold on the open market by a willing seller (with neither the tenant nor any owner of an intermediate leasehold interest buying or seeking to buy) on the assumption that the tenant has no rights under the Act to acquire any interest in any premises containing the tenant's flat or to acquire any new lease.
4. Paragraph 4 of the Schedule, as amended, provides that the landlord's share of the marriage value is to be 50%, and that where the unexpired term of the lease exceeds eighty years at the valuation date the marriage shall be taken to be nil.
5. The subject property is a three-bedroom first floor flat, converted in around 1982 from a two-storey mid-terrace house dating from around 1895. It currently benefits from central heating and double-glazed windows which were unlikely to have been present at the time of the conversion. The existing lease is for 99 years from 24th June 1982. The repairing obligation is placed on the lessee, not the lessor. The Applicant arranges her own building insurance. The Respondent's whereabouts have been unknown for some time and he has not participated in the management of the building.

6. Mr Taylor's report was professional and comprehensive. He provided details of three comparable properties and their values and referred to the latest relativity graphs. His calculation of the premium to be paid for the extended lease was based on the following:-
- (a) The valuation date was 11th August 2009, being the date the Applicant applied to the county court for the vesting order.
 - (b) At the valuation date, the lease had 71.87 years to run.
 - (c) A capitalisation rate of 7%.
 - (d) A deferment rate of 5%, in accordance with the decisions of the courts in the *Sportelli* litigation.
 - (e) A relativity of 94%.
 - (f) A deduction of £5,000 in relation to improvements which must be disregarded, namely the central heating and double-glazing.
7. The Tribunal agrees with Mr Taylor's reasoning as set out in his report and, having checked his arithmetic, the Tribunal accepts his valuation of £13,000. The details of his calculation are attached to this determination as an Appendix, replicated from his report.
8. The Applicant's solicitors provided a deed of variation which they had drafted, setting out the terms of the extended lease. The Tribunal has checked the proposed terms and has determined that they are appropriate.

Chairman.....

N.K. Nisid

Date 1st March 2010