



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

Case Reference : **CHI/19UG/OLR/2015/0010**

Property : **3 The Old Stables, Manor Farm Road,
Bere Regis, Dorset, BH20 7HD**

Applicants : **Mr Ian Roy Coope and Mrs
Sharon Jane Coope**

Representative : **Alsters Kelley LLP**

Respondent : **Mr Mark Alan Healey (missing)**

Representative : **-**

Type of Application : **New lease : Section 51 and Schedule
13 of the Leasehold Reform, Housing
and Urban Development Act 1993 as
amended ("the 1993 Act")**

Tribunal Members : **Judge P R Boardman and Mr P D
Turner-Powell FRICS**

**Date and venue of
Hearing** : **Decided on the papers**

Date of Decision : **26 October 2015**

DECISION

Introduction

1. This Application is under section 51 of the 1993 Act, namely for the Tribunal to determine the sum to be paid into court payable upon the Applicant's acquiring a new lease following a vesting order made by the Coventry County Court on 3 September 2014
2. The form of draft lease submitted by the Applicant with the application is copied at Appendix 1 to these directions
3. The Tribunal has decided the application on the papers before it, without an oral hearing, pursuant to rule 31 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 ("the 2013 Rules"), and the Tribunal's directions in this case, neither party having requested a hearing in the meantime

Schedule 13 of the 1993 Act

4. Schedule 13 of the 1993 Act provides as follows :

2 The premium payable by the tenant in respect of the grant of the new lease shall be the aggregate of—

(a) the diminution in value of the landlord's interest in the tenant's flat as determined in accordance with paragraph 3,

(b) the landlord's share of the marriage value as determined in accordance with paragraph 4, and

(c) any amount of compensation payable to the landlord under paragraph 5.

3 (1) The diminution in value of the landlord's interest is the difference between—

(a) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease; and

(b) the value of his interest in the flat once the new lease is granted.

(2) Subject to the provisions of this paragraph, the value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) is the amount which at the relevant 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 following assumptions—

(a) on the assumption that the vendor is selling for an estate in fee simple or (as the case may be) such other interest as is held by the landlord, subject to the relevant lease and any intermediate leasehold interests;

(b) on the assumption that Chapter I and this Chapter confer no right

~~to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;~~

(c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and

(d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which the relevant lease has effect or (as the case may be) is to be granted.

(3) In sub-paragraph (2) "the relevant lease" means either the tenant's existing lease or the new lease, depending on whether the valuation is for the purposes of paragraph (a) or paragraph (b) of sub-paragraph (1).

(4) It is hereby declared that the fact that sub-paragraph (2) requires assumptions to be made as to the matters specified in paragraphs (a) to (d) of that sub-paragraph does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) might be expected to realise if sold as mentioned in sub-paragraph (2).

(5) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

(6) The value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) shall not be increased by reason of—

(a) any transaction which—

(i) is entered into on or after the date of the passing of this Act (otherwise than in pursuance of a contract entered into before that date), and

(ii) involves the creation or transfer of an interest superior to (whether or not preceding) any interest held by the tenant; or

(b) any alteration on or after that date of the terms on which any such superior interest is held

4 (1) The marriage value is the amount referred to in sub-paragraph (2), and the landlord's share of the marriage value is 50 per cent. of that amount.

(2) Subject to sub-paragraph (2A), the marriage value is the difference between the following amounts, namely—

(a) the aggregate of—

- (i) the value of the interest of the tenant under his existing lease,*
- (ii) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease, and*
- (iii) the values prior to the grant of that lease of all intermediate leasehold interests (if any); and*
- (b) the aggregate of—*
- (i) the value of the interest to be held by the tenant under the new lease,*
- (ii) the value of the landlord's interest in the tenant's flat once the new lease is granted, and*
- (iii) the values of all intermediate leasehold interests (if any) once that lease is granted.*

(2A) Where at the relevant date the unexpired term of the tenant's existing lease exceeds eighty years, the marriage value shall be taken to be nil.

(3) For the purposes of sub-paragraph (2)—

(a) the value of the interest of the tenant under his existing lease shall be determined in accordance with paragraph 4A;

(aa) the value of the interest to be held by the tenant under the new lease shall be determined in accordance with paragraph 4B;

(b) the value of any such interest of the landlord as is mentioned in paragraph (a) or paragraph (b) of sub-paragraph (2) is the amount determined for the purposes of paragraph 3(1)(a) or paragraph 3(1)(b) (as the case may be); and

(c) the value of any intermediate leasehold interest shall be determined in accordance with paragraph 8, and shall be so determined as at the relevant date

4A (1) Subject to the provisions of this paragraph, the value of the interest of the tenant under the existing lease is the amount which at the relevant date that interest might be expected to realise if sold on the open market by a willing seller (with neither the landlord nor any owner of an intermediate leasehold interest buying or seeking to buy) on the following assumptions—

(a) on the assumption that the vendor is selling such interest as is held by the tenant subject to any interest inferior to the interest of the tenant;

(b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;

(c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and

(d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which any interest inferior to the existing lease of the tenant has effect.

(2) It is hereby declared that the fact that sub-paragraph (1) requires assumptions to be made in relation to particular matters does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date the interest of the tenant under his existing lease might be expected to realise if sold as mentioned in that sub-paragraph.

(3) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

(4) Subject to sub-paragraph (5), the value of the interest of the tenant under his existing lease shall not be increased by reason of—

(a) any transaction which—

(i) is entered into after 19th January 1996, and

(ii) involves the creation or transfer of an interest inferior to the tenant's existing lease; or

(b) any alteration after that date of the terms on which any such inferior interest is held.

(5) Sub-paragraph (4) shall not apply to any transaction which falls within paragraph (a) of that sub-paragraph if—

(a) the transaction is entered into in pursuance of a contract entered into on or before the date mentioned in that paragraph; and

(b) the amount of the premium payable by the tenant in respect of the grant of the new lease was determined on or before that date either by agreement or by a leasehold valuation tribunal under this Chapter

Para 4B

(1) Subject to the provisions of this paragraph, the value of the interest to be held by the tenant under the new lease is the amount which at the relevant date that interest (assuming it to have been granted to him at that date) might be expected to realise if sold on the open market by a willing seller (with the owner of any interest superior to the interest of the tenant not buying or seeking to buy) on the following assumptions—

(a) on the assumption that the vendor is selling such interest as is to be held by the tenant under the new lease subject to the inferior interests

to which the tenant's existing lease is subject at the relevant date;

(b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;

(c) on the assumption that there is to be disregarded any increase in the value of the flat which would fall to be disregarded under paragraph (c) of sub-paragraph (1) of paragraph 4A in valuing in accordance with that sub-paragraph the interest of the tenant under his existing lease; and

(d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which any interest inferior to the tenant's existing lease at the relevant date then has effect.

(2) It is hereby declared that the fact that sub-paragraph (1) requires assumptions to be made in relation to particular matters does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date the interest to be held by the tenant under the new lease might be expected to realise if sold as mentioned in that sub-paragraph.

(3) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

(4) Subject to sub-paragraph (5), the value of the interest to be held by the tenant under the new lease shall not be decreased by reason of—

(a) any transaction which—

(i) is entered into after 19th January 1996, and

(ii) involves the creation or transfer of an interest inferior to the tenant's existing lease; or

(b) any alteration after that date of the terms on which any such inferior interest is held.

(5) Sub-paragraph (4) shall not apply to any transaction which falls within paragraph (a) of that sub-paragraph if—

(a) the transaction is entered into in pursuance of a contract entered into on or before the date mentioned in that paragraph; and

(b) the amount of the premium payable by the tenant in respect of the grant of the new lease was determined on or before that date either by agreement or by a leasehold valuation tribunal under this Chapter

The lease

5. The current lease of the property is for 99 years from 18 October 1985 at a rent of £50 a year for the first 25 years, £75 a year for the next 25 years, £100 a year for the next 25 years, and £125 a year for the remainder of the term, payable in advance on 29 September in each year. The lessee's covenants included full repairing (clause 6(3)), decorating (clause 6(c)) and insuring (clause 6(11)). There are no service charge provisions

Valuation report by Mr P W Holder MRICS 21 September 2015

6. Mr Holder described the situation of the property as located in the centre of Bere Regis Village, in an established, popular and sought-after residential location
7. The property formed the northern end of three properties, numbers 1, 2, and 3 The Old Stables. The property sat over an undercroft providing parking for all three properties, and the entrance porch to number 2 The Old Stables. There was a patio garden to the north with external timber steps providing access to the property via a timber platform at first floor level. It was likely that the building had originally been constructed as stables over 100 years ago, and to have been converted to its current arrangement in the mid-1980s
8. Helpful photographs and a plan were attached to the report
9. The property comprised a first floor flat, plus attic, with an entrance hall, bathroom with WC, kitchen, lounge, and two bedrooms, one double and one single. The gross internal area was about 63m² (675ft²)
10. The external walls were either of solid brick or timber framed and clad. The roof was pitched and slate covered, with two dormer projections at the front. There were UPVC double-glazed windows to the front and side elevations. The rear elevation had two timber Velux windows
11. Internally the property was in satisfactory condition. Sanitary fittings were a little dated, but the kitchen had been replaced and included a built-in oven, hob and hood. Decorations were satisfactory. There was some isolated insect infestation in the timbers in the roof space, but that was not unusual in a building of this age and type
12. The timber columns providing support to the front elevation and the external steps to the side were showing signs of wear and rotting where they met the ground. Some repair was likely in the short to medium term
13. There was some dampness on the rear wall of the undercroft parking, probably due to the high ground level of the adjoining property to the rear, but no essential repairs seemed necessary yet

14. The property had mains electricity, water and drainage, but no gas. There were electric night storage heaters and an electric immersion heater
15. The property was apparently not listed, but did form part of the Bere Regis Conservation area
16. Mr Holder had been asked to provide a valuation on two dates, namely 26 June 2014, the date of the Applicants' application to the court, and 21 September 2015, the date of his report
17. He attached to his report schedules of comparable evidence
18. He had not made any adjustment for tenant's improvements as he did not regard any refitting to be above and beyond the obligations in the current lease
19. He had concluded that the appropriate unimproved long leasehold/freehold vacant possession value on 26 June 2014 was £150000
20. He had adopted a rent capitalisation rate of 7%
21. He had applied a deferment rate of 5% as he was not aware of any evidence to suggest a departure from the conclusions in **Sportelli** LRA/50/2005
22. He was not aware of any local evidence which might support a departure from the RICS Research Report entitled Leasehold Reform : Graphs of Relativity, and had therefore adopted a relativity rate of 92.5% for the valuation on 26 June 2014
23. Mr Holder's valuation for the lease extension was £8600 at 26 June 2014
24. Mr Holder's calculations are copied at Appendix 2 to these directions
25. Mr Holder also provided a valuation at 21 September 2015

Inspection

26. The Tribunal inspected the property on 26 October 2015. Also present was Ms Charlotte Read, of Goadsby, the selling agents
27. The Tribunal found the property to be in accordance with the description

The Tribunal's findings

28. The valuation date

29. By virtue of sections 38(8) and 51(1) of the 1993 Act, the relevant date is the date of the application to the court. That date is 26 June 2014, according to the copy of the court claim form in the bundle of papers before the Tribunal

30. Capitalisation of the Respondent's right to receive ground rent

31. Having considered the matter in the round, the Tribunal finds that the appropriate capitalisation rate in this case is 7%, and, having checked the calculations in Mr Holder's valuation, that the capitalised value of the Respondent's right to receive ground rent is £1156, namely the total of the sums of £818, £276, and £62 shown in that respect in Mr Holder's valuation

32. Current value of the property subject to the existing lease

33. Having considered all the comparable evidence referred to by Mr Holder, the Tribunal accepts Mr Holder's suggested valuation of £150000

34. The value of the property after the grant of the new lease

35. Having considered the matter in the round, and drawing on the Tribunal's collective knowledge and expertise in this respect, the Tribunal accepts the relativity rate of 92.5% suggested in Mr Holder's report, and finds that the value of the property after the grant of the new lease is £138750

36. Deferral rate

37. The Tribunal finds that :

- a. the starting point in this case is the rate of 5% for flats : **Sportelli** LRA/50/2005
- b. the Tribunal has considered the guidance in the decision in **Zuckerman** LRA/97/2008, in particular in relation to the question of deterioration, but finds that there is no evidence before the Tribunal to suggest that any other adjustments should be made to the starting point of 5%
- c. the appropriate deferral rate in this case is therefore 5%

38. The diminution in value of the Respondent's interest in the Premises

39. The Tribunal finds that :

- a. the deferred value of the property before the grant of the new lease is £4856, calculated as set out in Mr Holder's valuation
- b. the capitalised value of the Respondent's right to receive ground rent is £1156, for reasons already given
- c. the value of the Respondent's interest in the property before the grant of the new lease is accordingly £6012, namely the total of £4856 and £1156
- d. the value of the Respondent's interest in the property after the grant of the new lease is £60, namely the sum of £150000 deferred at 5% for 160.31 years, namely the balance of the current term plus the new term, as set out in Mr Holder's valuation
- e. the diminution in value of the Respondent's interest in the property is therefore £5952, namely £6012 minus £60

40. Marriage value

41. The Tribunal finds that the marriage value in this case is £5298, as calculated in Mr Holder's valuation, of which the Respondent's share is one half, namely £2649

42. Hope value

43. The Tribunal finds that there is no evidence before the Tribunal to suggest that any hope value is payable in this case

44. Compensation

45. The Tribunal find that there is no evidence before the Tribunal that any compensation is payable in this case

46. The premium payable by the Applicants

47. The Tribunal therefore finds that the premium payable is £8601, namely £5952 plus £2649

48. Other amounts due from the Applicants to the Respondent (section 51(5)(c) of the 1993 Act)

49. The Tribunal notes the submissions at page 99 of the bundle of papers before the Tribunal that the Applicants purchased the property on 26 July 2002, and that no ground rent has ever been demanded or paid. However, the Tribunal finds that ground rent has been payable, even if not demanded, and even if the landlord cannot be found. The Tribunal therefore orders the Applicants to pay such sums as are in fact due in that

respect

50. The appropriate sum to be paid into court

51. The Tribunal find that the appropriate sum to be paid into court for the purposes of section 51(5) of the 1993 Act is £8601, plus such sums as are due from the Applicants to the Respondent by way of ground rent

52. The form of the new lease

53. The Tribunal approves the form of lease copied at Appendix 1 to these reasons

54. Transfer back to the County Court

55. The Tribunal now transfers this case back to the County Court

56. Appeals

57. A person wishing to appeal against this decision must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case

58. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision

59. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to admit the application for permission to appeal

60. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result which the person is seeking

Dated 26 October 2015

Judge P R Boardman
(Chairman)



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

Case Reference : **CHI/19UG/OLR/2015/0010**

Property : **3 The Old Stables, Manor Farm Road,
Bere Regis, Dorset, BH20 7HD**

Applicant : **Mr Ian Roy Coope and Mrs
Sharon Jane Coope**

Representative : **Alsters Kelley LLP**

Respondent : **Mr Mark Alan Healey (missing)**

Representative : **-**

Type of Application : **New lease : Section 51 and Schedule
13 of the Leasehold Reform, Housing
and Urban Development Act 1993 as
amended (“the 1993 Act”)**

Tribunal Members : **Judge P R Boardman and Mr P D
Turner-Powell FRICS**

**Date and venue of
Hearing** : **Decided on the papers**

Date of Decision : **26 October 2015**

**APPENDIX 1
DRAFT LEASE**

DATED

2015

**IAN ROY COOPE
SHARON JANE COOPE**

(COUNTERPART) LEASE OF

**3 THE OLD STABLES
MANOR FARM ROAD
BERE REGIS
WAREHAM
DORSET
BH20 7HD**

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Dated

2015

- to -

IAN ROY COOPER AND SHARON JANE COOPE

L E A S E

- relating to -

3 THE OLD STABLES MANOR FARM ROAD
BERE REGIS BH20 7HD

Alsters Kelley

Solicitors

Hamilton House

20/26 Hamilton Terrace

Leamington Spa

Warwickshire

Ref. JLB/COO410/4

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LR1. Date of the lease	
LR2. Title number(s)	<p>LR2.1 Landlord's title number(s) <i>Title number(s) out of which this lease is granted. Leave blank if not registered.</i></p> <p>LR2.2 Other title numbers <i>Existing title number(s) against which entries of matters referred to in LR9, LR10, LR11 and LR13 are to be made.</i></p> <p>NONE</p>
<p>LR3. Parties to this lease</p> <p><i>Give full names, addresses and company's registered number, if any, of each of the parties. For Scottish companies use a SC prefix. For foreign companies give territory in which incorporated.</i></p>	<p>Landlord</p> <p>MARK ALAN HEALEY (Missing) under a Vesting Order pursuant to Section 50 (1) of the Act issued out of the Coventry County Court under Claim Number A00CV315 and dated the day of 2015</p> <p>Tenant</p> <p>IAN ROY COOPE and SHARON JANE COOPE of 5 Church Lees Bishops Tachbrook Leamington Spa CV33 9RQ</p> <p>Other Parties</p> <p>NONE</p> <p><i>Specify capacity of each party, for example "management company", "guarantor", etc.</i></p>

<p>LR4. Property</p> <p><i>Insert a full description of the land being leased</i></p> <p><i>or</i></p> <p><i>Refer to the clause, schedule or paragraph of a schedule in this lease in which the land being leased is more fully described.</i></p> <p><i>Where there is a letting of a part of a registered title, a plan must be attached to this lease and any floor levels must be specified.</i></p>	<p>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.</p> <p>The property known as 3 The Old Stables Manor Farm Road Bere Regis BH20 7HD being a first floor flat referred to and described in the First Schedule Part I in the Lease dated 19th October 1985 and referred to in described in Clause 1.1.</p>
<p>LR5. Prescribed statements etc.</p> <p><i>If this lease includes a statement falling within LR5.1, insert under that sub-clause the relevant statement or refer to the clause, schedule or paragraph of a schedule in this lease which contains a statement.</i></p> <p><i>In LR5.2, omit or delete those Acts which do not apply to this lease.</i></p>	<p>LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (lease under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.</p> <p>This Lease is granted under Section 56 of the Leasehold Reform, Housing and Urban Development Act 1993</p> <p>LR5.2 This lease is made under, or by reference to, provisions of:</p> <p><i>Leasehold Reform Act 1967</i></p> <p><i>Housing Act 1985</i></p>

	<p>Housing Act 1988</p> <p>Housing Act 1996</p>
<p>LR6. Term for which the Property is leased</p> <p><i>Include only the appropriate statement (duly completed) from the three options.</i></p> <p>NOTE: The information you provide, or refer to, here will be used as part of the particulars to identify the lease under rule 6 of the Land Registration Rules 2003.</p>	<p>From and including</p> <p>To and including</p> <p>OR</p> <p>The term as specified in this lease at clause/schedule/paragraph</p> <p>OR</p> <p>The term is as follows:</p> <p>159 years from 17th October 2015</p>
<p>LR7. Premium</p> <p><i>Specify the total premium, inclusive of any VAT where payable.</i></p>	
<p>LR8. Prohibitions or restrictions on disposing of this lease</p> <p><i>Include whichever of the two statements is appropriate.</i></p> <p><i>Do not set out here the wording of the provision.</i></p>	<p>This lease does not contain a provision that prohibits or restricts dispositions.</p> <p>OR</p> <p>This lease contains a provision that prohibits or restricts dispositions.</p>

<p>LR9. Rights of acquisition etc.</p> <p><i>Insert the relevant provisions in the sub-clauses or refer to the clause, schedule, or paragraph of a schedule in this lease which contains the provisions.</i></p>	<p>LR9.1 Tenant's contractual rights to renew this Lease, to acquire the reversion or another Lease of the Property, or to acquire an interest in other land</p> <p>LR9.2 Tenant's covenant to (or offer to) surrender this lease</p> <p>NONE</p> <p>LR9.3 Landlord's contractual rights to acquire this lease</p> <p>Clause 5.3</p>
<p>LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property</p> <p><i>Insert the relevant provisions or refer to the clause, schedule or paragraph of a schedule in this lease which contains the provisions.</i></p>	<p>NONE</p>
<p>LR11.1 Easements granted by this Lease for the benefit of the property</p>	<p>The rights and easements referred to in clause 1.1 of this Lease in the definition of "Incorporated</p>

<p>LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property</p>	<p>Terms" and specified in Schedule Part II of the Lease</p> <p>The easements included in clause 1.1 of this Lease in the definition of "Incorporated Terms" and specified in the Schedule Part III of the Lease</p>
<p>LR12. Estate rentcharge burdening the Property</p> <p><i>Refer here only to the clause, schedule or paragraph of a schedule in this lease which sets out the rentcharge.</i></p>	<p>NONE</p>
<p>LR13. Application for standard form of restriction</p> <p><i>Set out the full text of the standard form of restriction and the title against which it is to be entered. If you wish to apply for more than one standard form of restriction use this clause to apply for each of them, tell us who is applying against which title and set out the full text of the restriction you are applying for.</i></p> <p><i>Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.</i></p>	<p>The parties to this lease apply to enter the following standard form of restriction [against the title of the Property] or [against title number.....]</p> <p>NONE</p>
<p>LR14. Declaration of trust where there is more than one person comprising the Tenant</p> <p><i>If the Tenant is one person, omit or delete all the</i></p>	<p>Not applicable</p>

alternative statements.

*If the Tenant is more than one person, complete this
clause by omitting or deleting all inapplicable
alternative statements.*

THIS LEASE is dated

2015

PARTIES

- (1) **MARK ALAN HEALEY** (Missing) by a District Judge and sitting in the County Court at Coventry under an Order of the Court dated 28th August 2014 and a Vesting Order dated day of 2015. (**Landlord**)
- (2) **IAN ROY COOPE** and **SHARON JANE COOPE** of 5 Church Lees Bishops Tachbrook Leamington Spa CV33 9RQ (**Tenant**)

RECITALS

- (A) The Freehold reversion to the property is vested in the Landlord and is registered at the Land Registry under [check if registered] ?
- (B) The residue of the term of the Lease is vested in the Tenant and is registered at the Land Registry under Title Number DT275915.
- (C) The Tenant is entitled to exercise the right under chapter II part I of the Act to acquire a new Lease of the Property but are unable to serve notice under Section 42 of the Act as the Landlord is absent.
- (D) A Vesting Order dated the day of 2015 made pursuant to Section 50 (1) of the Leasehold Reform Housing & Urban Development Act 1993 ("the Act") provides for the Tenants right to surrender the Lease and grant of a new Lease on the terms set out herein.
- (E) In consideration of the grant of this new Lease of the Property the Tenant surrenders and yields up to the Landlord with limited title guarantee all his estate, interest and rights in the Property and the Landlord accepts the surrender.
- (F) This Lease shall have effect for the creation of the terms hereby granted and for the operation of the rights and obligations conferred and imposed herein.
- (G) The Landlord shall not be personally liable under any of the covenants on its part herein contained otherwise than in respect of breaches thereof for which it is responsible.

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation set out in this clause apply to this Lease.

Act: the Leasehold Reform, Housing & Urban Development Act 1993

Annual Rent: a peppercorn, if demanded and payable in the manner and on the same days as provided in the Lease

Incorporated Terms: all of the terms, requirements, covenants and conditions contained in the Lease except to the extent that they are inconsistent with the clauses written in this Lease and with such modifications as are necessary to make them applicable to this Lease and the parties to this Lease and as specifically varied by clause 3:

(a) Including:

- (i) the definitions and rules of interpretation in the Lease;
- (ii) the agreements and declarations contained in the Lease;
- (iii) the rights granted and reserved by the Lease (including the right of re entry and forfeiture);
- (iv) The third party rights, restrictions and covenants affecting the Property;

(b) But excluding any terms of the Lease which are specifically excluded by the terms of this Lease or substituted by the terms of this Lease.

Landlord 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 18th October 1985 and made between (1) MARK ALAN HEALEY (1) and ANNETTE CHRISTINE MINARD (2) for a term of 99 years from 18th October 1985 and

registered at the Land Registry under Title Number DT275916 and the documents made supplemental to it.

Premium: £ (WORDS)

Property: the Property known as 3 The Old Stables Manor Farm Road Bere Regis Wareham Dorset BH20 7HD (First Floor Flat) as more fully described in the Lease.

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 159 years from 17th October 2015

1.2 For the purposes of this Lease only, references to the Lessor and the Lessee in the Lease shall be read as references to the Landlord and Tenant in this Lease and matters in the Lease requiring the consent or approval of the Lessor shall also require the consent of the Landlord on the same terms under this Lease.

2. SURRENDER AND GRANT

2.1 In consideration of the surrender of the Lease and the payment of Premium, the Annual Rent, any insurance rent, any service charge, interest and any other sums due under the Lease, receipt of which the Landlord hereby acknowledges and in consideration of the Tenant's covenants the Landlord with limited title guarantee demises to the Tenant the Property for the term at the Annual Rent and on the Terms set out in this Lease.

2.2 The matters excepted and reserved by the Lease for the benefit of the Landlord are excepted and reserved for the benefit of the Landlord by this Lease.

2.3 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.

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

2.5 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 and any insurance rent in the manner and on the same days as provided in the Lease.

5. LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

5.1 This Lease is granted under Section 56 of the Act.

5.2 No long Lease created immediately or derivatively by way of sub-demise under this Lease shall confer on the sub-tenant, as against the Landlord, any right under Chapter II of the Act to acquire a new Lease. For this purpose, "long lease" shall be construed in accordance with Section 7 of the Act.

5.3 If at any time during the period of:

- (a) 12 months ending with the term date of the Lease; or
- (b) Five years ending with the term date of this Lease,

The Court is satisfied that the Landlord intends to demolish, reconstruct or carry out substantial works of construction on the whole or a substantial part

of any premises in which the Property is contained, and that the Landlord could not reasonably do so without obtaining possession of the Property, the Court shall declare that the Landlord is entitled to possession of the Property. The Tenant will be entitled to compensation from the Landlord for the loss of the Property.

6. REGISTRATION OF THIS LEASE

Following the grant of this Lease, the Tenant shall without delay apply to register this Lease at the Land Registry. The Tenant shall ensure that any requisitions raised by the Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall send the Landlord official copies of the Tenant's title within one month of the registration being completed.

7. SECTION 62 OF THE LAW OF PROPERTY ACT 1925

Neither the grant of this Lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and Section 62 of the Law of Property Act 1925 does not apply to this Lease.

8. ENTIRE AGREEMENT

8.1 This Lease and any documents annexed to it constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understanding and agreements between them relating to its subject matter.

8.2 Each party acknowledges that in entering into this Lease it does not rely on any representation or warranty (whether made incorrectly or negligently).

8.3 Nothing in this Lease constitutes or shall constitute a representation or warranty that the Property or any common parts over which the Tenant has

rights under this Lease may lawfully be used for any purpose allowed by this Lease.

9. LANDLORD AND TENANT (COVENANTS) ACT 1995

This Lease creates a new tenancy for the purposes of the Landlord and Tenant (Covenants) Act 1995.

10. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not party to this Lease shall not have any rights under or in connection with it by virtue of the Contracts (Rights of Third Parties) Act 1999.

11. GOVERNING LAW AND JURISDICTION

- 11.1 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.
- 11.2 The parties irrevocably agree that the Courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection

Schedule Changes to the Lease

1. The following words shall be added to the Tenant's covenants in Clause 2 of the Lease:
 - (i) "2.18 To pay the Lessor interest at a rate of 4 per cent per annum above the base rate of Barclays Bank plc from time to time on any sums payable by the Lessee hereunder that are not paid within fourteen days of the due date such interest to be calculated on a day to day basis from the date the same becomes due until the date of payment and to apply as well after as before any judgment"
 - (ii) "2.19 To pay to the Lessor such amounts of Value Added Tax at the rate payable hereunder and in every case where in this Lease the Lessee covenants to pay an amount of money such an amount shall be regarded as being exclusive of all Value Added Tax which may from time to time be legally payable thereon"
2. The following words shall be added to the Landlord's covenants in Clause 3.
3. That the Landlord will at the request of the Tenant enforce the covenants as to repair insurance upkeep and otherwise contained in the Lease (if any) on the adjoining properties upon the Tenant agreeing to indemnify the Landlord against all costs and expenses in respect of such enforcement

EXECUTED as a Deed by
IAN ROY COOPE
In the presence of:

Witness

Name

Address

Occupation

EXECUTED as a Deed by
SHARON JANE COOPE
In the presence of:

Witness

Name

Address

Occupation



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

Case Reference : **CHI/19UG/OLR/2015/0010**

Property : **3 The Old Stables, Manor Farm Road,
Bere Regis, Dorset, BH20 7HD**

Applicant : **Mr Ian Roy Coope and Mrs
Sharon Jane Coope**

Representative : **Alsters Kelley LLP**

Respondent : **Mr Mark Alan Healey (missing)**

Representative : **-**

Type of Application : **New lease : Section 51 and Schedule
13 of the Leasehold Reform, Housing
and Urban Development Act 1993 as
amended (“the 1993 Act”)**

Tribunal Members : **Judge P R Boardman and Mr P D
Turner-Powell FRICS**

**Date and venue of
Hearing** : **Decided on the papers**

Date of Decision : **26 October 2015**

**APPENDIX 2
MR HOLDER'S VALUATION**

3 The Old Stables, Manor Farm Road, Bere Regis, Dorset

Assessment of premium for a new lease (an additional 90 year term at a peppercorn ground rent) in accordance with Schedule 13 of the Leasehold Reform, Housing and Urban Development Act, 1993, as amended by the Housing Act, 1996 and the Commonhold and Leasehold Reform Act, 2002.

INPUT SUMMARY

Original Term Lease Length:	99.00		
From Date:	18/10/1985		
Date of Valuation:	26/06/2014		
Capitalisation Rate:	7.00%		
Deferment Rate:	5.00%		
Extended Lease Reduction:	0.00%		
Relativity:	92.50%		
First Period (years):	21.31	£75.00 rent	
Second Period (years):	25.00	£100.00 rent	
Third Period (years):	24.00	£125.00 rent	
Total (years):	70.31		

Unimproved Value: £150,000.00

A. DIMINUTION IN VALUE OF LANDLORD'S INTEREST

A1 Ground Rents Receivable:

21.31 years @ £75		£75	
YP 21.31yrs @ 7%	10.9071		
			£818
25 years @ £100		£100	
YP 25yrs @ 7%	11.6536		
PV of £1 in 21.31years	0.2365	2.7561	
			£276
24 years @ £125		£125	
YP 24yrs @ 7%	11.4693		
PV of £1 in 46.31years	0.0436	0.4998	
			£62

A2 Reversion to freehold in possession:

		£150,000	
PV of £1 in 70.31 yrs @ 5%		0.0324	
			£4,856

Freeholder's Present Interest: £6,012

A3 Landlord's interest after grant of new

160.31 year lease:

		£150,000	
PV of £1 in 160.31 yrs @ 5%		0.0004	
			£60

Diminution thus (rounded): £5,952

B. CALCULATION OF MARRIAGE VALUE

Value of proposed interest after grant of new 160.31 year lease:

Landlord's:		£60	
Tenant's (Less 0% Extended Lease Reduction):	£150,000		£150,060

LESS

Value of existing interests:			
Freehold:		£6,012	
Leasehold (92.5% X 150000):	£138,750		£144,762
Marriage Value thus:			£5,298
50% attributable to Landlord:			£2,649

TOTAL £8,601

ESTIMATE OF PREMIUM PAYABLE FOR NEW LEASE, say: £8,600
(plus statutory recoverable costs)