



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

Case reference : **CI/LON/00AM/OAF/2014/0032**

Property : **30 Jessam Avenue London E5 9DU**

Applicant : **Ms Rivka Niederman**

Representative : **Shranks Solicitors**

Respondent : **Mr Walter Rees**

Representative : **Not applicable**

Type of application : **Application under section 21 of the
Leasehold Reform Act 1967
(missing landlord)**

Tribunal members : **Ms N Hawkes
Mr I Holdsworth MSc FRICS**

**Date and venue of
paper determination** : **17th September 10 Alfred Place,
London WC1E 7LR**

Date of decision : **18th September 2014**

DECISION

Background

1. The Tribunal has been informed that the subject property appears to have been constructed in the 1930s as a two storey, semi-detached house and that it is located in a residential road off Upper Clapton Road within reasonable access of amenities at Clapton and Clapton Common.
2. The Tribunal did not consider that an inspection of the property was necessary nor would it have been proportionate to the issues in dispute.

3. The applicant holds a leasehold interest in the property (title number EGL84691) by way of a long lease dated 10th January 2005 made between (1) the Mayor and Burgesses of the London Borough of Hackney and (2) Shakuntla Wanti and Lakwinder Singh for a term of 999 years less 5 days from 25th December 1934.
4. Shakuntla Wanti and Lakwinder Singh granted the applicant a 20 year sublease of the premises on 10th January 2005 and the applicant became the registered proprietor of the long leasehold interest title number EGL84691 on 4th February 2008.
5. The London Borough of Hackney is a superior landlord pursuant to a lease for a term of 999 years from 25th December 1934 (title number LN29854) and the respondent is the registered proprietor of the freehold interest (title number NGL385586).
6. By witness statement dated 14th April 2014 prepared on behalf of the applicant, Mr Georgiou states that the only address which the applicant has for the respondent is 82 Bowes Road, London N13 4NP ("82 Bowes Road"). This is the address given for him in the proprietorship register of the freehold title. He states that this is also the only address which the London Borough of Hackney has for the respondent.
7. Mr Georgiou explains that, on 30th October 2013, he sent to the respondent by first class post and recorded delivery notice of the applicant's claim to acquire the freehold. The Post Office has confirmed that, on 8th November 2013, the notice was delivered to someone called "Georgie". However, the letter sent by first class post was returned by the Post Office marked "undelivered".
8. On the return of the letter which was served by first class post, Mr Georgiou applied for an official copy of the register of title in respect of 82 Bowes Road and ascertained that, from 8th November 2006, the registered proprietor of the freehold interest in that property has been Transport for London. Accordingly, he does not believe that the applicant's notice has come to the attention of the respondent.
9. By order of District Judge Alterson sitting at the County Court at Clerkenwell & Shoreditch dated 24th April 2014 the Tribunal is to determine the price and the terms of the conveyance of the freehold to the applicant.

The issues

10. The issues before the Tribunal are the price payable in respect of (i) the interest of the London Borough of Hackney and (ii) the interest of the respondent. The applicant relies upon a valuation report dated 4th October 2012 prepared by Mr Michael Zucker BA FRICS.

The interest of the London Borough of Hackney

11. The price payable in respect of the interest of the London Borough of Hackney has been agreed in the sum of £128.

The interest of the respondent

12. The long lease dated 25th December 1934 between the LB Hackney and the respondent provides for a ground rent payment of £9 p.a. for the 999 year term. The Tribunal acknowledges that payment of this sum is unlikely given the absence of a current address for respondent.
13. The obligation to make this annual payment under the lease terms constitutes a term interest held by the respondent. A capitalisation rate of 5% was considered appropriate for such a secure income over the 919 year term. This has a value which the Tribunal has estimated at £180.
14. No reversionary interest or capitalised modern ground rent payment is anticipated given the 919 years unexpired term of the superior interest held by LB Hackney.
15. It is the opinion of the Tribunal that the premium payable to the respondent is £180. A copy of the valuation prepared by the Tribunal is appended. The draft Transfers are approved subject to the insertion of this premium of £180 payable to the respondent.

Judge N Hawkes

18th September 2014

Property: 30 Jessam Avenue London E5 9DU

Lease Data			
Lease Term:	999 Years from 25th December 1934		
Lease Expiry date:	24th December 2933		
Length of Term:	999 years		
Unexpired term as at valuation date:		919	
Valuation date:	20th March 2014		
Rent receivable by freeholder for 30 Jessam Avenue:			
Payable from 20/04/14 for 919 years	£	9	

Values

Current value of standing house with vacant possession and "developed to its best advantages" £ 750,000

Value of freeholders interest

Term

Ground rent payable £ 9
Capitalised at 5% for 919 years 20.0000 £ 180

First Reversion

Section 15 Ground Rent
Entirety value £ 750,000
Site apportionment at 35% of "Entirety value" 35.0% £ 262,500
De-capitalisation rate at 4.75% 4.75% £ 12,469
YP at 4.75% for 50 years 18.9844
deferred 919 years at 4.75% 0.00000 £ - £ -

Second Reversion

Standing House value £ 750,000
20% deduction for tenants rights under Schedule 10 of the Local Government and Housing Act 1989 £ 150,000
Residual Standing House value subject to tenancy after reversion £ 600,000
PV of £1 in 969 years at 4.75% after 50 year term plus existing lease term 0.0000 £ -

Overall Total Payable for lease enfranchisement

£ 180

Notes:

1. The price for lease enfranchisement is calculated in accordance with the Leasehold Reform Act 1967 as amended. Section 9(1) valuation in accordance with RV less than £1000 as at March 1990.