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

**Case Reference** : **AGR/LON/00BH/OLR/2016/0920**

**Property** : **Flat 1, 38 Steele Street,  
Leytonstone, London E11 3JA**

**Applicant** : **Kerem Ali**

**Representative** : **Cavendish Legal Group**

**Respondent** : **Roy Rumsey**

**Representative** : **N/A**

**Types of Application** : **Leasehold extension**

**Tribunal Members** : **Judge LM Tagliavini  
Miss M Krisko, FRICS**

**Date and venue of  
Hearing** : **10 Alfred Place, London WC1E 7LR  
16 August 2016**

**Date of Decision** : **17 August 2016**

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**DECISION**

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## **Decisions of the tribunal**

- (i) The tribunal finds that premium payable for the extension of the lease is £14,084.
- (ii) The tribunal approves the terms of surrender and re-grant in the (draft) form submitted to the tribunal.

## **The application**

1. This is an application for a lease extension made pursuant to section 50(1) of the Leasehold Reform Housing and Urban Development Act 1993 (missing landlord). By a direction of the County Court at Bow dated 31 May 2016 the application was transferred to the tribunal for a determination of the premium payable for a lease extension and the appropriate terms of the new lease

## **The premises**

2. The premises comprise a ground floor two-bedroom converted flat in a mid-terrace 1880's property of solid brick construction with concrete interlocking roof tiles. The premises are subject to a lease dated 25 August 1989 for a term of 99 years from 25 December 1988 at a ground rent of £50 per annum increasing to £100 per annum in December 2021 and to £200 per annum in December 2054 with 71.8 years remaining.

## **Inspection**

3. The tribunal did not carry out an inspection of the subject premises, as it was not requested to do so. The tribunal is of the opinion it had sufficient information about the subject property on the papers, and that it would be disproportionate to carry out an inspection in the circumstances.

## **The hearing and evidence**

3. The Applicant requested a determination of the issues before the tribunal on the papers. In support of the application the tribunal was provided with a valuation report of Genevieve Mariner BSc (Hons) FRICS dated 28 June 2016.
4. In her report Ms Mariner adopted a valuation date of 8 March 2016; a capitalisation rate of 7%; a deferment rate of 5% and a relativity of short leasehold interest to the reversion of 93.46% in reliance upon the average of "The Greater London and the rest of the Country" RICS graphs of relativity.
5. In obtaining evidence of the long leasehold value of the subject premises Ms Mariner relied upon a number of comparable properties

in the E11 area and included details of their description and location within the report. Ms Mariner concluded that a value of £310,000 should be attributed to the long leasehold value of the subject premises.

6. Ms Mariner concluded her report with her opinion that the premium due for the lease extension as at 8 March 2016 is 13,500 (thirteen thousand five hundred pounds). \*

*\*The tribunal notes that Ms Mariner has made a mathematical error in her valuation in that the short lease interest at 93.46% is £292,652 as this figure should read £292,652. This has the effect of altering all the remaining figures in the valuation with the effect of producing a premium of £14,084.*

### **Reasons for the decisions of the tribunal**

7. In reaching its decision the tribunal was able to rely upon its expert knowledge of the subject location and have reference to a number of graphs routinely used for the purposes of valuation. The tribunal accepts the capitalisation rate of 7% as the “default” rate in this part of East London; the deferment rate of 5% as per *Sportelli* as the usual rate adopted in the location; the long leasehold reversion of 99% as the standard rate and 93.46% as the relativity of the short leasehold interest to the reversion having cross checked this rate with a number of standard graphs.
8. The tribunal scrutinised the comparable properties relied upon by Ms Mariner and is satisfied that the sum of £310,00 appropriately reflects the long leasehold value of this property as at the valuation date.
9. Therefore, in conclusion the tribunal determines the premium payable for a lease extension of the subject property is £14,084.
10. The tribunal has been provided with a copy of the terms of the surrender and grant of a new leases and approved them in the form submitted.
11. The tribunal now remits this matter to the County Court at Bow for any further orders or determinations.

Signed: Judge LM Tagliavini

Dated: 17 August 2016