



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

Case Reference : **BG/LON/00BH/OLR/2017/1216**

Property : **309 Markhouse Road, London E17
8EE**

Applicant : **Mr. D Citroen**

Representative : **Bircham Dyson Bell LLP**

Respondent : **Mr. J Davies & Ms L Davies**

Representative : **N/A**

Type of Application : **Lease extension**

Tribunal Member : **Judge LM Tagliavini
Mrs H Gysely**

Date and place of hearing : **10 Alfred Place, London WC1E 7LR
24 October 2017**

Date of decision : **24 October 2017**

DECISION

The tribunal's decision:

1. The tribunal determines that the premium payable for the extension of the lease for the subject property is £18,725 (eighteen thousand seven hundred and twenty-five pounds).

Background:

2. This is an application made pursuant to section 50(1) of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act")(missing

landlord provisions. By an order dated 15/06/2017 made by District Judge Bell in the County Court at Bow, the application made pursuant to section 42 of the Act was transferred to this tribunal for a determination of the premium payable for the lease extension.

3. In support of the application, the Applicant relied upon the witness statement of Bernard D'Monte dated 18 May 2017 and the valuation report of Stephen R Jones BA(Hons) MRICS dated 6 September 2017.
4. In the absence of any evidence to the contrary and drawing upon its own knowledge and experience of similar properties in the area of Walthamstow, the tribunal accepts the evidence of Mr. Jones as to the premium payable by the Applicant and as contained in his valuation attached hereto. Therefore, the tribunal determines that the Applicant is to pay the sum of £18,725 to the Respondents in respect of the premium payable for the lease extension of the subject property and remits this matter back to the county court for any further orders that may be required.

Signed: Judge. LM Tagliavini

Dated: 24 October 2017

Without Prejudice and Subject to Contract

CALCULATION OF THE LEASE EXTENSION PRICE

in accordance with the Leasehold Reform, Housing and Urban Development Act 1993 (as amended)

PROPERTY: Ground Floor Flat, 309 Markhouse Road, London E17 8EE



Date of Valuation:	13/01/2017	
Lease Expiry Date:	24/03/2086	
Unexpired Term:	69.17	Years
Share of Freehold Value:	£347,500	(Unimproved)
Extended Lease Value:	£344,025	(99%)
Existing Lease Value:	£319,770	Relativity: 92.02%

1.) Ground Rent Interest:

Current ground rent	£50	p.a.	for	3.17	years	
YP	6.5	%				
Multiplier	2.7815					£139
Increase to	£100	p.a.	for	33	years	
YP	6.5	%				
Multiplier	13.4591		deferred	3.17	years	Plus
PV	6.5	%	Multiplier	0.8192		£1,103
Increase to	£150	p.a.	for	33	years	
YP	6.5	%				
Multiplier	13.4591		deferred	36.17	years	Plus
PV	6.5	%	Multiplier	0.1025		£207
						£1,449

2.) Reversionary Interest:

Existing						
Share of Freehold Value	£347,500	deferred	69.17	years		
PV	5	%	Multiplier	0.0342		£11,895
Proposed						
Share of Freehold Value	£347,500	deferred	159.17	years	Less	
PV	5	%	Multiplier	0.0004		£147
						£11,748

3.) 50% Marriage Value:

Proposed Interests				
Extended Lease Value	£344,025			
Ground Rent Interest	£0			
Reversionary Interest	£147		£344,172	
Existing Interests				
Existing Lease Value	£319,770			
Ground Rent Interest	£1,449	Less		
Reversionary Interest	£11,895		£333,113	
				Marriage Value:
				£11,059
				50%
				£5,530

LEASE EXTENSION PRICE:	£18,726
But, say:	£18,725