



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

Case Reference	:	LON/00AP/OLR/2017/0799
Property	:	Upper Maisonette, 1 Abbotsford Avenue, London N15 3BT
Applicant	:	Bibi Shaneeza Rahim
Representative	:	Derrick Bridges & Co.
Respondent	:	Robert Bartlett
Representative	:	Not applicable
Type of Application	:	Missing Landlord – Leasehold Reform, Housing and Urban Development Act 1993
Tribunal Members	:	Judge F Dickie Mrs S Redmond, MRICS
Date of Decision	:	2 August 2017

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the premium payable for the extended lease would (if a vesting order is made) be £33,136 according to the valuation calculation at Appendix 1 to this decision.
- (2) The terms of the new lease should be those set out in the Draft New Lease at Appendix 2 to this determination.
- (3) The matter is transferred back to the County Court sitting at Edmonton.

The application

1. The Applicant wishes to extend her lease under the provisions of Chapter II of Part I the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act").
2. The Applicant is the tenant of the subject premises as successor in title under a lease dated 15 April 1980 for a term of 99 years from 25 March 1980. She purchased the leasehold interest on 6 August 2010. Ground rent has never been demanded from her. The Applicant was associated with the subject premises prior to the purchase, and it is the case that there has been no contact from the freeholder for many years. A claim form under section 42 of the Act could not be served on the missing landlord. On 26 July 2016 the Applicant made a claim to the County Court for a vesting order pursuant to section 50 of the Act.
3. By order of Deputy District Judge Perry sitting at the County Court at Edmonston and dated 22 May 2017 the matter was transferred to this tribunal. Though a draft vesting order had been filed with the court by solicitors for the Applicant on 9 May 2017, it is not apparent from the County Court file so transferred or from the documents produced by solicitors for the Applicant pursuant to the tribunal's directions whether such order has been issued to date. On further clarification from those solicitors the tribunal understands that it has not.
4. The making of a vesting order therefore remains to be considered by the County Court. The tribunal has herein determined the valuation and lease terms appropriate in the event that the County Court decides to make such an order, and the tribunal's determination has no effect unless and until that vesting order is made.
5. Pursuant to the application now before the tribunal, the Applicant has obtained an expert valuation report on the subject premises, and produces a draft new lease.

The Valuation

6. The valuation report was prepared by Mr Peter Loizou, MRICS of Appraisal Surveyors and is dated 19 July 2017. The valuation date is 26 July 2016, the date of the County Court claim.
7. According to the inspection report, the subject premises are a three bedroom ground (in part) and first floor maisonette with garden within a converted period building, with one bedroom on the ground floor. Internal accommodation measures 97m². A location map and external photograph were within the report and the lease plan was before the tribunal, which did not consider it necessary to carry out an inspection.

8. The ground rent is £50 per annum for the first 33 years, £100 per annum for the next 33 years, and £150 per annum for the remainder of the term. There are 62.66 years of the lease term unexpired as at the valuation date. The tribunal does not accept Mr Loizou's figure of 61.5 years. There are no intermediate leases to consider.

The long lease value

9. Mr Loizou refers to double glazing installed in 2013 in place of the original sash windows, but he does not say whether he has made any adjustment to his valuation in respect of any disregard for tenant's improvements under Paragraph 3(2)(c) of the Act. The tribunal does not consider any such adjustment to be appropriate.
10. Mr Loizou considered evidence of the sale of 14 comparable properties during 2016. He states that the market was static during this period, and he has accordingly not made any adjustment for the date of these sales. The tribunal accepts this approach as acceptable given the large number of comparables. One sale is an outlier at £270,000, but this appears to be in a local authority purpose built block.
11. Although not described in great detail the size and unexpired term were indicated on most of the comparables. Where stated, the majority of these properties were purpose built. The tribunal found most assistance from evidence of the sales of:

68 Cornwall Road. A purpose built (1958) 76 m² flat with 92 years unexpired, sold 12 September 2016 for £355,000.

134 Tiverton Road, a purpose built (1975) 86 m² flat with 91 years unexpired, sold 8 June 2016 for £355,140.

35 Belmont Road, a period conversion, 93 m² flat (unexpired term not provided), sold 24 June 2016 for £380,000.

12. Based on the comparable properties, Mr Loizou considers a long lease unimproved value of £380,000 to be appropriate. The tribunal considers his valuation approach reasonable and supported by adequate justification, and accepts it.

Relativity

13. The tribunal is mindful of the decision of the Upper Tribunal in *The Trustees of the Sloane Stanley Estate -v- Mundy* [2016] UKUT 0223 (LC) in determining the value of the existing lease. There being no sale of the subject property close to the valuation date, Mr Loizou did not seek to derive this value from the comparable evidence (all of which,

where specified, were sold on long leases in excess of 90 years). Finding insufficient market evidence of short lease comparable sales, Mr Loizou relied on an analysis of the RICS Graphs of Relativity for Greater London and England to calculate the value of the existing lease. However, the tribunal does not approve of his reliance on the Savills graph for Prime Central London (owing to the location of this property) and the College of Estate Management graph which represents research of Leasehold Valuation Tribunal decisions only. The remaining five Greater London and England graphs suggest a relativity of 87.74% for an unexpired term of 62.66 years and the tribunal has adopted this figure.

Capitalisation Rate

14. The tribunal accepts Mr Loizou's choice of 6% as the appropriate capitalisation rate in line with his professional experience.

Deferment Rate

15. Mr Loizou proposed a rate of deferment of 5% and, in accordance with the generic rate for flats determined by the Court of Appeal in *Cadogan v Sportelli* [2008] 1EGLR 137, the tribunal accepts this.

Conclusion

16. The tribunal is prepared to accept the reasoned view of Mr Loizou, based on his expert and local knowledge, as to the long lease/freehold value. However, it has used in its valuation attached the correct outstanding term and its preferred figure for relativity. It accordingly determines the premium payable is £33,136 according to the attached valuation.
17. The tribunal approves the terms of the draft new lease.

Name: F Dickie

Date: 2 August 2017