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

**Case Reference** : **LON/OOBB/OLR/2017/0101**

**Property** : **31A Alexandra Street, London E16  
4DL**

**Applicant** : **Taiwo Adefunke Akerele (claimant  
leaseholder**

**Representatives** : **Edell Jones & Lessers (solicitors) with  
valuation evidence from McDowalls  
Surveyors Limited**

**Respondent** : **Philip Robert Laing (landlord)**

**Representative** : **Not applicable as the landlord cannot  
be found**

**Type of Application** : **To seek a determination of the  
premium payable for the grant of a  
new lease and a determination of the  
terms of the new lease made under  
sections 50 and 51 of the Leasehold  
Reform, Housing and Urban  
Development Act 1993 ('the Act')**

**Tribunal Members** : **Judge James Driscoll and Mrs Evelyn  
Flint FRICS (Valuer Member)**

**Date of Hearing** : **The Tribunal considered the  
application on the basis of the papers  
filed and without a hearing on 19  
April, 2017.**

**Date of Decision** : **19 April, 2017**

**DECISION**

## Summary of the decision

1. The premium to be paid for the grant for the acquisition of a new lease is the sum of £ £13,355.
2. The terms of the new lease are approved.
3. On payment of the sum of £13,355 into the Bow County Court (under claim number C01B0203) an application should be made to the Court for the new lease to be signed by District Judge instead of the landlord who cannot be traced.
4. This is an application for the grant of a new lease under the provisions in Part I of the Act. It is made on behalf of the leaseholder whose professional representatives are listed above. The landlord cannot be traced. Accordingly those advising the claimant leaseholder applied to the Bow County Court for an order under section 50 of the Act for a vesting order. This application was made on 14 April 2016.
5. An order was made by the Court on 21 December 2016 that a new lease be granted on such terms as may be determined by this tribunal. An application was received by the tribunal on 17 January 2017 and directions were given on 18 January 2017.
6. A bundle of documents was assembled by those advising the claimant leaseholder. This bundle included the papers relating to the Court application a copy of the current lease and the proposed lease, a valuation report and other documents. At the request of the tribunal, the valuation report was revised to take account of the valuation date which in the opinion of the tribunal is the 14 April 2016.
7. On 19 April 2017 the tribunal considered the application on the basis of the papers filed. There was no hearing.
8. Dealing first with the premium to be paid we considered the revised valuation report dated 14 April 2016. The report is unhelpfully short on detail and it consists of three alternative valuations supplemented by some comparable evidence of sales.
9. In a letter accompanying the revised report dated 6 April 2017 the valuers (Mr Robert Kuszneruk BSc and Mr Andrew Carter MRICS) state that the property was inspected on 20 October 2015. It is a two bedroom maisonette in a converted 2 storey development.
10. Comparable (and adjusted) evidence of sales of flats in the area suggests a freehold price of £270,000. After considering the RICS research report a relativity of 93.92% was adopted along with a capitalisation rate of 7% and a deferment rate of 5%.
11. The authors of the letter concluded that the premium payable should be the sum of £12,692 and suggested that a figure of £10,000 should be proposed 'to

allow further room for negotiations' (page 2 of the letter). Presumably the authors were unaware that the landlord cannot be traced.

12. The report lacked the detail which the tribunal would usually expect to see in that there was virtually no information regarding any of the comparables, including the number of bedrooms at each property. The best comparable was said to be 99 Ling Road where the sale price was £315,000. This was adjusted to £270,000 for the subject premises without any proper explanation. The range of prices paid was considerable however the valuer did not address this in their report.
13. The tribunal has considered the limited sales information and accepts that the Ling Road sale is the best comparable. The flat is purpose built and appears to have a larger second bedroom than the subject premises. Doing the best it can with the very limited information in the expert report the tribunal adjusted the sale price to £285,000 to reflect these differences. The capitalisation rate of 7% and deferment rate of 5% were accepted by the tribunal as being the appropriate rates to be applied to the ground rental income and reversionary value of the flat.
14. We determine that the sum of £13,355 is the premium to be paid. A copy of our valuation is attached.
15. The tribunal turns to the proposed lease (starting at page 54 of the bundle). The starting point is that terms of the new lease are to be the same as the existing lease for a term 90 years longer than the current term and at a nominal rent (see; section 57 of the Act). Save for inserting the premium we have determined and to include a reference to the lease being signed by a District Judge of the Bow County Court we determine that the proposed terms are approved.
16. In light of these findings application must now be made to the Court accompanied by a copy of the approved lease and on payment of the premium into that Court for the lease to be signed on behalf of the missing landlord.

## **Rights of appeal**

17. Under rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.
18. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case. The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.
19. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not

complying with the 28 day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite it not being within the time limit.

20. The application for permission to appeal must identify the decision of the tribunal to which it relates (that is to give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.
21. If this tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

**James Driscoll and Evelyn Flint**

**19 April, 2017**

**31A Alexandra Street Canning Town London E16 4DL**

Date of valuation 14-Apr-16

Lease 99 years from 25 December 1989 at £50 pa for 33 years,  
 £100 pa next 33 years  
 £150 pa for remainder

Existing lease value	£267,670	-93.32%	
Extended lease value	£285,000		
 Existing Freehold interest			
Ground rent	£50		
YP 6.69 years at 7%	5.5679		£278
Ground rent	£100		
YP 33 years at 7%	13.6466		
x PV 6.69 years	0.6357	8.67514362	£868
Ground rent	£150		
YP 33 years at 7%	13.6466		
x PV 39.69 years	0.0682	0.93069812	£140
Reversion to	£285,000		
x PV 72.70 years at 5%	0.0288		<u>£8,208</u>
Landlord's current interest			£9,494
Landlord's proposed interest	£285,000		
x PV 162.70 years at 5%	0.0004		<u>£114</u>
Diminution in value			£9,380
Marriage Value			
Tenant's proposed interest	£285,000		
Landlord's proposed interest less	£114	£285,114	
Tenant's existing lease	£ 267,670		
Landlord's existing interest	£9,494	<u>£ 277,164</u>	
Marriage Value		£7,950	
50% share			<u>£3,975</u>
<b>Premium</b>			<b><u>£13,355</u></b>