



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

Case reference : **LON/00AY/OLR/2019/0115**

Property : **Ground Floor Flat 9 Strathleven Road,
London, SW2 5JS**

Applicant : **Adam Richardson and Fiona Grout**

Representative : **Mr J Frankel of Cavendish Legal
Group**

Respondent : **The persons representative to
Michael Olujimi Odukoya (deceased)
Victoria Olufunke Odukaya (deceased)**

Representative : **None**

Type of application : **Section 50 of the Leasehold Reform,
Housing and Urban Development Act
1993**

Tribunal members : **A P Harris LLM FRICS FCI Arb**

**Date of determination
and venue** : **12 April 2019 at
10 Alfred Place, London WC1E 7LR**

Date of decision : **12 April 2019**

DECISION

Summary of the tribunal's decision

- (1) The appropriate premium payable for the new lease is **£9,900**.

Background

1. By an order dated 15 January 2019 made by the County Court at Clerkenwell and Shoreditch the applicants claim for a new lease was transferred to this tribunal for determination as to the terms of the new lease and of the appropriate sum to be paid as a premium in accordance with s51(5) of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”).
2. The Court was satisfied that the defendants are deceased and that no grant of probate or letters of administration have been granted. The Court was also satisfied that at the date of making the application the claimants had the right to acquire a new lease of the Ground floor flat at 9 Strathleven Road SW2 5JS and at the date of making the application a notice under s42 of the Act would not have been precluded.

The issues

Matters agreed

3. There are no agreed matters

Facts

4. The Tribunal finds the following facts:
 - (a) The subject property is a self-contained, ground floor converted flat constructed in about 1900 in a three-storey terraced house The flat was originally a 1 bedroom flat with a second bedroom added by the leaseholder.
 - (b) The gross internal floor area is 44 square metres, which equates to 474 square feet, excluding a tenant's improvement of an extension dating from 2009;
 - (c) The valuation date: 7 September 2018;
 - (d) Unexpired term: 81.3 years;
 - (e) Ground rent: £100 for the first 33 years rising to £200 for the next 33 years rising to £300 for the remainder of the term;
 - (f) Long leasehold (unimproved) value: 99% of the freehold (unimproved) value;
 - (g) Capitalisation of ground rent: 7% per annum; and
 - (h) Deferment rate: 5%.

The hearing

5. The tribunal considered the matter on the papers on 12 April 2019. A written valuation was provided by Mr TJ Henson BSc FRICS of Clarke Hillyer, an RICS Registered Valuer. Mr Henson's valuation is £9,900 (nine thousand nine hundred).
6. There were no representations on behalf of the respondent.
7. The tribunal did not consider it necessary to carry out a physical inspection to make its determination.

Comparable evidence

8. In assessing the capital value of the flat Mr Henson provides detail of five comparables:

23 Glenelg Road SW2 5JU, a flat in an adjacent road on the ground floor with 2 bedrooms. The flat also has a garden. The flat sold in July 2018 for £535,000 with 109 years unexpired on the lease. The area is 61.8 sq m (665 sq ft). The price analyses to £8658 per sq m

19a Glenelg Road SW2 5JU, a split level upper flat with no garden. The flat has 2 bedrooms and an area of 90.4 sq m (973 sq ft). The lease has 108 years unexpired. The flat sold for £470,000 in September 2018 which analyses to £6363 per sq m.

26 Margate Road SW2 5DT, another split level upper maisonette with 2 bedrooms. The lease has 94 years unexpired and an area of 71.4 sq m (769 sq ft). The flat sold for £454,000 in March 2018 which analyses to £6579 per sq m

48 Corrance Road SW2 5RH a 1 bed flat with garden and an unexpired term of 121 years. The tribunal does not accept the analysis presented which looks clearly wrong. The sale price was £454,000 which is analysed to £1009 per sq m which implies an area of 450 sq m which is unlikely.

55b Horsford Road SW2 5BP, a first floor 2 bedroom flat with 152 years unexpired. The flat sold in June 2018 for £494,000 which analyses to £9686 per sq m. The implied area is 51 sq m (549 sq ft).

9. Mr Henson considers the market was static across the range of dates and makes no adjustment for this. Mr Henson considers the range should reflect the smaller size and garden of the subject property and considers the higher end of the range of analysis is appropriate and considers a rate of £9500 per sq m is appropriate. This gives a value of £418,000.

10. Mr Henson also considers that there is limited evidence of 1 bedroom flats which would sell in the range £400,000 to £450,000.
11. Mr Henson makes a 1% addition for the benefit of the freehold over the value of an extended lease which he considers is standard practice. This brings the market value of the unimproved freehold to £422,180.
12. The lease is over 80 years so no marriage value is payable.

The tribunal's determination

13. The Tribunal values the premium payable at £9,900 (nine thousand nine hundred)

Reasons for the tribunal's determination

14. The tribunal determines that the valuation presented by Mr Henson is in line with market practice and is supported by the evidence presented.

Lease terms

15. A draft Deed of Surrender and Regrant is included in the bundle. This grants a new term for 189 years from 1 January 2001 on the same terms as the existing lease subject to a landlords right to break for redevelopment at any time in the 12 months ending on 1 January 2100 or at any time in the 5 years ending on 1 January 2190. This is in accordance with the Act.

The tribunal's determination

16. The tribunal determines that the terms of the new lease are to be those presented as a draft.

The premium

17. The tribunal determines the appropriate premium to be **£9,900**. A copy of its valuation calculation is annexed to this decision.

Name: A P Harris LLM FRICS FCI Arb
Valuer Chair

Date: 12 April 2019

Appendix: Valuation setting out the tribunal's calculations

Rights of appeal

By 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.

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.

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 not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. 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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).