



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

**Case reference** : **LON/00BC/OLR/2018/1404**

**Property** : **11B Vaughan Gardens Ilford, Essex  
IG1 3PA**

**Applicants** : **Srinivas Gaddey**

**Representative** : **Foskett Marr Gadsby and Head LLP**

**Respondent** : **Paul Robert Leadeham**

**Representative** : **Not applicable (missing landlord)**

**Type of application** : **Application under sections 50 and  
51 of the Leasehold Reform  
Housing and Urban Development  
Act 1993**

**Tribunal members** : **Ian B Holdsworth**

**Venue** : **10 Alfred Place, London WC1E 7LR**

**Date of paper  
determination** : **18<sup>th</sup> December 2018**

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**DECISION**

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## **Decisions of the Tribunal**

- (1) The Tribunal determines that the price to be paid by the applicant for the new lease on statutory terms is £21,185.

## **The Background**

1. This is an application under section 50 and 50(1) of the Leasehold Reform Housing and Urban Development Act 1993 (**“the 1993 Act”**) pursuant to an order made by District Judge Andrew Dodsworth, sitting at the County Court at Romford on 17<sup>th</sup> July 2018.
2. Sections 50 and 50(1) of the 1993 Act concerns claims for a statutory lease extension where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 51 of the 1993 Act, the role of the Tribunal is to determine the appropriate sum to be paid into court in respect of the landlord’s interests.
4. The applicant in this matter is Srinivas Gaddey. He is the qualifying tenant of 11b Vaughan Gardens Ilford Essex (**“the Property”**). The respondent freehold owner is Paul Robert Leadeham.
5. On 15<sup>th</sup> February 2018, the applicant issued a Part 8 Claim at the County Court at Romford for an order pursuant to section 50(1) of the 1993 Act seeking a new lease in the Property. The applicant has been unable to ascertain the whereabouts of the respondent and was therefore unable to serve a notice on him pursuant to section 42 of the 1993 Act.
6. The applicant has provided the tribunal with a valuation report prepared by Mr Peter Gunby MRICS dated 1<sup>st</sup> October 2018.
7. Mr Gunby is of the view that the premium to be paid for the freehold interest is £15,724.

## **The Determination**

8. The Tribunal accepts the opinions expressed by Mr Gunby in his valuation report dated 1<sup>st</sup> October 2018 save that:
  - (i) In respect of Flat 11b Vaughan Gardens, having regard to the various comparables provided; to the size and condition of the property; and to the fact that the landlord is absent, the Tribunal determines

that the value of the long lease is £285,800. This is based upon an average value per £/m deduced from the sale transactions 51A Ranelagh Gardens and 294a Cranbrook Road.

(ii) The unenfranchiseable relativity taken from the Savills 2015 graph is 85%. The market evidence presented by Mr Gunby in accordance with the *Mundy* guidance evidences a relativity of 92.2%. The tribunal has taken the 12 Pretoria Road transaction with some 70 years unexpired, adjusted for Act rights and placed this against the notional freehold value of £250,000 offered by the Expert. This produces a relativity of 88.2%. The tribunal has adopted this relativity rather than the higher figure proposed by Mr Gunby. It is more closely aligned to the Savills 2015 data and reflects a lease length comparable to the subject.

9. The adjusted calculation has resulted in premium of £21,185. A copy of the Tribunal's valuation is attached to this decision. This premium is in return for the grant of a new lease on statutory terms.
10. Accordingly, the Tribunal determines that the premium to be paid in respect of the new lease for 11b Vaughan Gardens Ilford Essex is £21,185. These monies to be paid into Court.
11. This matter should now be returned to the County Court sitting at Romford under Claim Number EOORM322 in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

18<sup>th</sup> December 2018

## Premium valuation

|   |              |            |              |          |
|---|--------------|------------|--------------|----------|
| <b>Property: 11b Vaughan Gardens Ilford Essex IG1 3PA</b> |              |            |              |          |
| Reference: NAT/LON/00BC/OLR/2018/1404                     |              |            |              |          |
| <b>Lease and Valuation Data</b>                           |              |            |              |          |
| Lease Term:   |              | 01/02/1990 |              |          |
| Lease Expiry date:  |              | 31/01/2089 |              |          |
| Unexpired term as at valuation date:                      |              | 70.96      | years        |          |
| Date of Valuation   |              | 15/02/2018 |              |          |
| Rent receivable by landlord:                              |              |            |              |          |
| 1-33 years  | £            | 75         |              |          |
| 34-66 years   | £            | 150        |              |          |
| 67-99 years   | £            | 225        |              |          |
| <b>Values</b>   |              |            |              |          |
| Extended lease value on statutory terms                   | £            | 285,800    |              |          |
| Notional Freehold   | £            | 288,687    |              |          |
| LHVP with current term unexpired                          | £            | 254,622    | Relativity   | 88.2%    |
| Capitalisation rate (%)                                   |              | 7.00       |              |          |
| Deferment rate (%)  |              | 5.00       |              |          |
| <b>Value of Freeholders present interest</b>              |              |            |              |          |
| <b>Terms 1-3</b>  |              |            |              |          |
| Current term value  |              |            | £            | 2,026    |
| Reversion   |              |            |              |          |
| Freehold in vacant possession                             | £            | 288,687    |              |          |
| Deferred @ 70.96 years @ 5%                               |              | 0.03136    | £            | 9,054    |
| Current value of the freeholders interest                 |              |            |              | £ 11,080 |
| Less  |              |            |              |          |
| Freehold value after leasehold extension                  | £            | 288,687    |              |          |
| PV of £1 in 160.96 years at 5%                            |              | 0.00039    | £            | 112      |
| Freeholders interest value                                |              |            |              | £ 10,967 |
| <b>Marriage value</b>                                     |              |            |              |          |
| Value of flat with long lease on statutory terms          | £            | 285,800    |              |          |
| Landlords proposed interest                               | £            | 112        | £            | 285,912  |
| Less  |              |            |              |          |
| Value of Leaseholders existing interest                   | £            | 254,622    |              |          |
| Value of Freeholders current interest                     | £            | 11,080     | £            | 265,701  |
| Marriage value  | <b>Total</b> |            |              | £ 20,211 |
| Division of Marriage Value equally between                |              |            |              |          |
| Freeholder  |              |            |              | £ 10,105 |
| Leaseholder   |              |            |              | £ 10,105 |
| <b>Price payable to Freeholder</b>                        |              |            |              |          |
| Value of freeholders current interest                     |              |            | £            | 11,080   |
| Plus share of marriage value                              |              |            | £            | 10,105   |
|   |              |            | <b>Total</b> | £ 21,185 |