



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

Case reference : **LON/00AZ/OLR/2018/0900**

Property : **Flat A, 388 Baring Road, Grove Park, London SE12 0EF**

Applicant : **Caroline Smith**

Representative : **Portner Law Limited Solicitors
Mr Mark Jones of Sinclair Jones,
chartered surveyors**

Respondent : **Charles Anthony Brown (Missing landlord)**

Representative :

Type of application : **Section 51 of the Leasehold Reform,
Housing and Urban Development
Act 1993**

Tribunal members : **Tribunal Judge Dutton
Mr D Jagger MRICS**

Date of determination and venue : **21st August 2018 at
10 Alfred Place, London WC1E 7LR**

Date of decision : **21st August 2018**

DECISION

Summary of the tribunal's decision

The appropriate premium payable for the new lease is £24,800 as set out on the valuation attached to the report of Mr Jones dated 2nd August 2018.

Background

1. On 3rd April 2018 the Applicant commenced proceedings in the County Court at Bromley under claim number E00BR807 pursuant to section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for a determination of the premium to be paid for the grant of a new lease of Flat A, 388 Baring Road, Grove Park London SE12 0EF (the “Property”).
2. By an Order dated 31st May 2018, (the Order) amongst other matters, the claim was transferred to this Tribunal for the purposes of determining the premium payable and to approve the form of the new lease. It is noted that the costs of the Applicant had been assessed at £3,020 including VAT and that sum was to be deducted from the amount we found to be payable for the premium
3. In support of the application we were provided with a copy of a report from Mr Mark Jones, a semi retired Chartered Surveyor with Sinclair Jones, chartered surveyors, dated 2nd August 2018. This report has been prepared for the purposes of an application under sections 50 and 51 of the Act and contains the usual expert’s declaration.
4. Mr Jones’s report speaks to a capitalisation rate of 6%, a deferment rate of 5.0%, a long lease value of £325,000 with a 1% uplift to the freehold value of £328,250. As to relativity Mr Jones has suggested a rate of 88.57% based on the average of three graphs set out in the 2009 RICS graphs for Greater London. The graphs were those produced by South East Leasehold, Nesbitt & Co and Andrew Pridell. This gave a short lease value of £290,731, although erroneously recorded under values and relativity at £290,371.

The tribunal’s determination

5. We have reviewed the comparable evidence in Mr Jones’ report. He has, if we may say so, been very fair and true to his expert status in rejecting the purpose built comparisons and instead utilising the converted flats, in particular 363A Baring Road. This gave him the adjusted long lease value of £325,00 with an uncontentious uplift of 1% to reflect the freehold vacant possession value of £328,250. We are comfortable with those values.
6. The capitalisation rate at 7% fairly reflects the level of ground rent investment for this type of property in this location. The deferment rate

of 5% follows the Upper Tribunal/Court of Appeal assessment in Sportelli. Both are acceptable to us.

7. On the question of relativity, in the absence of any market evidence the use of graphs is the norm. We have no concerns with the use of the three graphs chosen by Mr Jones to give the relativity of 88.57% on an unexpired term of 63.75 years in this case.
8. This relativity rate gives a short lease value of £290,731, correctly shown for marriage value purposes. Applying these various elements we conclude that the premium determined by Mr Jones of £24,806 is correct. The valuation of Mr Jones sets out how this sum was reached.
9. The terms of the extended lease, the draft of which was included in the bundle before us is approved and that the execution of same should be by a District Judge of the County Court as set out at paragraph 2 of the said Order.

Name: Tribunal Judge Dutton **Date:** 21st August 2018

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).

CASE REFERENCE LON/00AC/OLR/2014/0106

**First-tier Tribunal
Property Chamber (Residential Property)**

**Valuation under Schedule 13 of the Leasehold Reform Housing and
Urban Development Act 1993**

Premium payable for an extended leasehold Interest in [Property]

Valuation date: [Date]