



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

Case Reference : **LON/00AP/OLR/2018/1051**

Property : **Flat A, 10 Grove Avenue Muswell Hill London N10 2AR**

Applicants : **Susan Jane Shephard**

Representative : **Ashfords Solicitors**

Respondent : **Mr Ronald William Huggins**

Representative : **None**

Type of Application : **Missing landlord
S50 and 51 of the Leasehold Reform, Housing and Urban Development Act 1993**

Tribunal Members : **Judge Professor Robert M. Abbey
Luis Jarero BSc FRICS**

Date and venue of Hearing : **26 October 2018
10 Alfred Place, London WC1E 7LR
Determination without an oral hearing in accordance with the procedure in regulation 13 of the Leasehold Valuation Tribunals (Procedure) (England) Regulations 2003**

Date of Decision : **26 October 2018**

DECISION

Decision

1. The premium payable is £48,072. The terms of the lease are approved. The case is remitted to the Clerkenwell and Shoreditch County Court to give effect to the Vesting Order (E00EC310).

Background

2. This case relates to an application made under section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 (as amended) for a determination of the price to be paid for a statutory lease extension of a flat, where the landlord is missing. The application was made in the Clerkenwell and Shoreditch County Court. The case was transferred to this Tribunal to determine the price by Deputy Judge Swan dated 27 June 2018 under section 50(1) of the Act providing for the surrender of the Claimant's lease and the granting of a new lease as if a valid notice under Section 42 of the Act had been served.
3. The Tribunal issued Directions on 16 August 2018 and considered the matter on 26 October 2018.
4. Mr Andrw Cohen MRICS of Talbots Surveying Services Limited was instructed to prepare a report and valuation relating to the lease extension. He confirmed that his evidence complied with the Code of Practice for Experts and that he recognised that he owed his primary duty to the Tribunal.

Evidence

5. The Tribunal considered the valuation report of Mr Cohen dated 8 October 2018. The Tribunal noted that the valuation date was stated as 16 January 2018 the date the application was made to the court.
6. The property is situated in Muswell Hill in North London on a slightly sloping site. It fronts the western side of Grove Road which is directly off Alexandra Park Road and is therefore conveniently placed for local shops in that road as well as more extensive shops and restaurants in Muswell Hill Broadway.
7. The property is within walking distance of Alexandra Palace public park and conference/exhibition centre and also Muswell Hill centre where there are a variety of retail and transport facilities.

8. The subject property is a ground floor flat in a converted two storey Edwardian terrace of traditional construction with a pitched roof and rear extension. The accommodation comprises a reception room, a bedroom, kitchen and bathroom/wc. There is also a conservatory at the rear. In addition there is a small cellar which has limited head height. There is a section of the front garden and all the rear garden included within the demise. The flat is accessed through a communal front door and lobby
9. The flat is subject to a lease for a term of 99 years from 29 August 1979 at £50 pa for the first 33 years, £100 pa for the next 33 years and £150 for the remainder of the term; the unexpired term at the valuation date is 60.62 years. The lease is on the usual full repairing and insuring terms.
10. Mr Cohen adopted a capitalisation rate of 7% and a deferment rate of 5% based on the *Sportelli* decision.
11. Mr Cohen relied on the following sales of flats nearby to arrive at the value of the extended lease.
12. 65a Rosebery Road London N10 sold in February 2018 at £640,000.
13. Ground floor flat 46 Rosebery Avenue London N10 sold in July 2017 at £750,000.
14. Ground floor flat 48 Grasmere Road London N10 sold in July 2017 at £695,000.
15. Ground floor flat 17 Coniston Road London N10 sold in July 2017 at £625,000.
16. 58a Coniston Road London N10 sold in July 2017 at £645,000.
17. Mr Cohen adjusted these sale figures for time using the Land Registry index for the London Borough of Haringey
18. Based on the comparable evidence Mr Cohen adopted £500,000 as the value of the long lease value of the subject property as at 16 January 2018.
19. Mr Cohen has adopted a 1% uplift to reflect a freehold (reversionary) interest. The value of the flat to the freeholder is arguably marginally more than it would be to the owner occupier as there are no additional outgoings or requirements to obtain permissions or consents.
20. Whilst the Tribunal would not have had regard to all of these graphs the result is well within the accepted range of figures.
21. As there was no evidence of short leasehold values therefore Mr Cohen derived the value by taking into account the RICS research "Leasehold

reform: Graphs of Relativity for Outer London and the Rest of England which gave an average relativity of 85.4%% based on the following relativities: (he excluded South East Leasehold 90.12%); Nesbitt & Company 83.62 Austin Gray 85.94%; Andrew Pridell Associates 86.37% and Beckett and Kay 85.69%.

22. His valuation was appended to the report and produced a premium of £48,072. The Tribunal accepts the contents of the report from Mr Cohen.

Decision

23. **Valuation date.** The valuation date has been correctly identified in the report as the date of the application to the court. The unexpired term at the valuation date is as stated above. The comparables used are all such that the sale prices support the values adopted.
24. **Valuation of the extended lease.** The best comparables are those located closest to the subject premises, all are within a short distance. The tribunal accepts the value proposed of £500,000.
25. **Valuation of existing lease.** The tribunal accepts the evidence and valuation of £431,270.
26. **Capitalisation and Deferment Rate.** The Tribunal accepts both the capitalisation rate of 7% and deferment rate of 5%.
27. **Enfranchisement Price.** The Tribunal determines the premium to be paid at £48,072.
28. Rights of appeal are set out in the annex below

Judge Professor Robert M. Abbey
Chairman

26 October 2018

ANNEX

RIGHTS OF APPEAL

1. 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.
2. 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.
3. 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.
4. 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.