



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

Case reference : **LON/00AH/OLR/2020/0137**

Property : **Flat 2, 14 Lodge Road, Croydon, Surrey
CR0 2PB**

Applicant : **Jide Amosu**

Representative : **Harper & Odell, solicitors**

Respondent : **Cecilia Williamson**

Representative : **Not known**

Type of application : **Determination of lease terms and/or
premium under Section 51 of the
Leasehold Reform, Housing and Urban
Development Act 1993**

Tribunal members : **Judge Pittaway
Ms M Krisko FRICS**

**Date and venue of
paper
determination** : **10 March 2020 at
10 Alfred Place, London WC1E 7LR**

Date of decision : **10 March 2020**

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the appropriate sum to be paid into Court for the grant of a new lease of Flat 2, 14 Lodge Road Croydon Surrey CR0 2PB (**'the Property'**), pursuant to section 51(5) of the Leasehold Reform, Housing and Urban Development Act 1993 (**'the 1993 Act'**), is **Twenty seven thousand eight hundred and eighty six pounds (£27,886)**.
- (2) The tribunal approves the new lease in the form submitted by the applicant.

The application

1. The applicant seeks a determination pursuant to section 51 of the 1993 Act.
2. On 20 September 2019 the applicant issued a Part 8 Claim in the County Court at Croydon under claim number FO1CR663, seeking a vesting order under section 50(1) of the 1993 Act. On District Judge Rowland made a vesting order, which provided that a new lease of the Property would be granted to the applicant upon terms to be determined by this tribunal.
3. On 24 January 2020, the tribunal received an application under section 51 of the 1993 Act. Directions were issued on 27 January 2020 which provided for a paper determination. None of the parties has objected to this or requested an oral hearing. The paper determination took place on 10 March 2020.
4. The applicant's solicitors supplied the tribunal with a hearing bundle that included copies of relevant documents from the County Court proceedings, official copies from the Land Registry of the freehold and leasehold titles, the existing lease and a draft new lease, and a valuation report from A. A. Aladese MRICS dated 3 February 2020.

The background

5. The applicant is the leaseholder of the property, having purchased it on 28 November 2007. The respondent is the registered proprietor of the freehold of the building of which the Property forms part (**'the Building'**).
6. The applicant has had no contact with the respondent since the property was purchased and has paid no ground rent.
7. The applicant's attempts to trace the respondent have been unsuccessful.

8. So far as the applicant is aware there are no other amounts payable pursuant to Section 27(5)(b) of the 1993 Act.

The issues

9. The tribunal is required to determine the terms of the new lease pursuant to section 51(3) of the 1993 Act and the appropriate sum to be paid into Court pursuant to section 51(5).
10. The tribunal did not consider that an inspection of the Building or Flat was necessary, nor would it have been proportionate to the issues in dispute.
11. Having studied the various documents in the applicant's bundle the tribunal has made the determination set out below.

The tribunal's decision and reasons

Terms of new lease

12. The draft lease submitted by the applicant's solicitors is approved.

Reasons for the tribunal's decision

13. The applicant's solicitors have had regard to the relevant provisions of the 1993 Act in drafting the lease.

Sum to be paid into Court

14. The premium payable under Schedule 13 of the 1993 Act is Twenty seven thousand eight hundred and eighty six pounds (£27,886).
15. The tribunal determines that no additional sums are payable under section 51(5) (c).

Reasons for the tribunal's decision

16. Mr Aladese used 20 September 2019 as the valuation date, being the date the claim was issued in the County Court and based his valuation on an unexpired term of 62 years.
17. The relevant date for valuing the lease extension is the date of the application to the County Court, pursuant to section 51(8) (a) of the 1993 Act. The application was issued by the County Court on 20 September 2019. At that date the lease had 62 years and eight days unexpired. The tribunal accept Mr Aladese's valuation is based on an unexpired term of

exactly 62 years, as a difference of eight days will have a minimal effect of the valuation.

18. In his report, Mr Aladese valued the new lease premium at twenty seven thousand eight hundred and eighty six pounds (£27,886), which he rounded up to twenty eight thousand pounds (£28,000). This was based on an extended lease value of two hundred and seventy thousand pounds (£270,000), a capitalisation rate of 6.5%, a deferment rate of 5% and a relativity of 82%.
19. Having considered the comparables detailed in Mr Aladese's report, the tribunal accepts his extended lease value for the Property. The tribunal note that he made no adjustment to the comparables to reflect any time differential between when they were sold and the valuation date; but do not consider such adjustment necessary given the sale dates of the comparables. The tribunal do not however round up the premium figure as this is a statutory valuation.
20. The tribunal also accepts the capitalisation and deferment rates used by Mr Aladese, which are uncontroversial.
21. Mr Aladese derived his relativity figure by taking an average of a variety of graphs from between 2009 and 2015 graphs for both central London and Greater London. The tribunal accepts this is a reasonable method of calculating the long leasehold value. In the circumstances the tribunal accepts the relativity used by Mr Aladese.
22. There was no evidence to suggest the respondent has demanded ground rent or any other amounts from the applicant. In the absence of such evidence, the tribunal determines that no additional sums are payable under section 51(5) (c).

Name: Judge Pittaway

Date: 10 March 2020

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).

The Law

Leasehold Reform, Housing and Urban Development Act 1993

51 Supplementary provisions relating to vesting orders under section 50(1).

(1) A vesting order under section 50(1) is an order providing for the surrender of the tenant's lease of his flat and for the granting to him of a new lease of it on such terms as may be determined by a leasehold valuation tribunal to be appropriate with a view to the lease being granted to him in like manner (so far as the circumstances permit) as if he had, at the date of his application, given notice under section 42 of his claim to exercise the right to acquire a new lease of his flat.

(2) If a leasehold valuation tribunal so determines in the case of a vesting order under section 50(1), the order shall have effect in relation to property which is less extensive than that specified in the application on which the order was made.

(3) Where any lease is to be granted to a tenant by virtue of a vesting order under section 50(1), then on his paying into court the appropriate sum there shall be executed by such person as the court may designate a lease which—

(a) is in a form approved by a leasehold valuation tribunal, and

(b) contains such provisions as may be so approved for the purpose of giving effect so far as possible to section 56(1) and section 57 (as that section applies in accordance with subsections (7) and (8) below);

and that lease shall be effective to vest in the person to whom it is granted the property expressed to be demised by it, subject to and in accordance with the terms of the lease.

(4) In connection with the determination by a leasehold valuation tribunal of any question as to the property to be demised by any such lease, or as to the rights with or subject to which it is to be demised, it shall be assumed (unless the contrary is shown) that the landlord has no interest in property other than the property to be demised and, for the purpose of excepting them from the lease, any minerals underlying that property.

(5) The appropriate sum to be paid into court in accordance with subsection (3) is the aggregate of—

(a) such amount as may be determined by a leasehold valuation tribunal to be the premium which is payable under Schedule 13 in respect of the grant of the new lease;

(b) such other amount or amounts (if any) as may be determined by such a tribunal to be payable by virtue of that Schedule in connection with the grant of that lease; and

(c) any amounts or estimated amounts determined by such a tribunal as being, at the time of execution of that lease, due to the landlord from the tenant (whether due under or in respect of the tenant's lease of his flat or under or in respect of any agreement collateral thereto).

(6) Where any lease is granted to a person in accordance with this section, the payment into court of the appropriate sum shall be taken to have satisfied any claims against the tenant, his personal representatives or assigns in respect of the premium and any other amounts payable as mentioned in subsection (5)(a) and (b).

(7) Subject to subsection (8), the following provisions, namely—

(a) sections 57 to 59, and

(b) section 61 and Schedule 14,

shall, so far as capable of applying to a lease granted in accordance with this section, apply to such a lease as they apply to a lease granted under section 56; and subsections (6) and (7) of that section shall apply in relation to a lease granted in accordance with this section as they apply in relation to a lease granted under that section.

(8) In its application to a lease granted in accordance with this section—

(a) section 57 shall have effect as if—

(i) any reference to the relevant date were a reference to the date of the application under section 50(1) in pursuance of which the vesting order under that provision was made, and

(ii) in subsection (5) the reference to section 56(3)(a) were a reference to subsection (5)(c) above; and

(b) section 58 shall have effect as if—

(i) in subsection (3) the second reference to the landlord were a reference to the person designated under subsection (3) above, and

(ii) subsections (6)(a) and (7) were omitted.