



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

Case reference : **CAM/22UN/OCE/2021/0002**

Property : **67 Jameson Road, Clacton on Sea Essex,
CO15 2AW**

HMCTS code : **PPAPERREMOTE**

Applicant : **Deepak Kaushik Patel**

Representative : **Ellisons Solicitors**

Respondent : **The landlord of 67 Jameson Road
(Missing)**

Representative : **NA**

Type of application : **Section 50 and 51 of the Leasehold
Reform, Housing and Urban
Development Act 1993**

Tribunal members : **Judge Shepherd
Mary Hardman FRICS**

**Date of
determination and
venue** : **14th May 2021 virtual hearing on the
papers**

Date of decision : **14th May 2021**

DECISION

Covid-19 pandemic: description of hearing

This has been a remote hearing on the papers which the parties are taken to have consented to, as explained below. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because it was not practicable and all issues could be determined on paper.

Summary of the tribunal's decision

The appropriate premium payable for the new lease is **£14988**

Background

1. This is an application made by the applicant leaseholder pursuant to section 50 and 51 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 67 Jameson Road, Clacton on Sea, Essex, CO152AW (the “property”).
2. On 23rd December 2020 DDJ Perry at Chelmsford Justice Centre made an order pursuant to s. 50 of the Act to the effect that the Applicant was entitled to a new lease. The freeholder landlord is missing. The case was transferred to the Tribunal to determine the value of the new lease.

The property

3. The property comprises a first floor flat in a 2 storey building constructed in the 1930s. It is located in a residential location 1 mile from Clacton town centre and seafront, It is a two bedroom flat with its own front door, a car parking space to the front and use of a communal garden.
4. The Tribunal did not inspect the property but had the benefit of photographs and have checked the location on internet mapping applications . The report of Paul Wright of Fenn Wright dated 10th March 2021 gave a clear and detailed description of the property. The Tribunal accepts the description is accurate.

The tribunal's determination

5. The tribunal determines that the value of the new leasehold at the date of the application was £14988. The Tribunal is also satisfied as to the proposed form of the new lease.

Reasons for the tribunal's determination

6. The right to a new lease is conferred by Ch 2 of Pt 1 of the 1993 Act. By exercising the right the tenant acquires a new lease of the flat in substitution for his or her existing lease for a term expiring 90 years after the term date at a peppercorn rent (s.56(1)). The tenant pays a premium which compensates the landlord for the loss of the remainder of the term. In the present case the landlord is missing and the procedure pursuant to ss50 and 51 of the Act has been followed.
7. The premium for the new lease is calculated in accordance with Sch 13, para 2 of the Act and is the aggregate of the following figures :
 - (a) The diminution in value of the landlord's interest in the flat;
 - (b) The landlord's share of the marriage value;
 - (c) Any amount of compensation payable.
8. The calculation carried out by Mr Wright appears broadly sound. A calculation carried out by the Tribunal is attached as a schedule to this determination. The Tribunal has also considered the contents of the proposed new lease and is satisfied that they are adequate.
9. The tribunal has accepted both the capitalisation and deferment rates adopted by Mr Wright as not being unreasonable.
10. It has also accepted the long leasehold value of £110,000 as supported by the comparables provided by Mr Wright.
11. However it is not persuaded by the methodology of capitalising the equated ground rent over the remaining term, preferring to adopt the

more traditional method of capitalising the ground rent to review in each case.

12. It also finds that the calculation of marriage value is set out in a somewhat unhelpful and unorthodox fashion.
13. The tribunal has accepted the relativity of 84.3% but made a 'no act world' deduction of 5.6% as opposed to the 4.7% adopted by Mr Wright.

The premium

14. On the above basis the tribunal determines the appropriate premium to be **£14988**. A copy of its valuation calculation is annexed to this decision.

Name: Judge Shepherd

Date: 14th May 2021

Appendix attached: Valuation setting out the tribunal's calculations

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Appendix :

Tribunal's valuation					
Valuation date		11/09/2020			
Unexpired term -years		62			
Ground rent		£100			
Capitalisation rate		7%			
Deferment rate		5%			
Extended lease value		£110,000			
Freehold value		£111,111			
Existing Lease value		£93,667			
Relativity		84.30%			
No act world		5.6			
Calculations					
Diminution of freehold					
Loss of ground rent				£	100
Years Purchase	29	years @	7%	12.2777	£1,228
Loss of ground rent				£	130
Years Purchase	33	years @	7%	12.7538	£306
PV £1 deferred 29 years			7%	0.18460	
Reversion to Freehold					
Freehold value				£	111,111
Present value of £1 in	62	years @	5%	0.0486	£5,395
					£6,929
Less Freehold reversion after extension					
Freehold value				£111,111	
PV £1 deferred 152 years		@	5%	0.0006	£67
					£6,863
Marriage Value calculation					
Value of proposed interests					
Freeholder			£67		
Leaseholder			£110,000	£110,067	
Value of existing interests					
Freeholder			£5,395		
Leaseholder			£88,421		
Sub-Total				£93,817	
Total marriage value				£16,250	
Landlords share @ 50%					£8,125
Enfranchisement Price					£14,988

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).