

FIRST - TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : LON/00AJ/OCE/2021/0026.

Property : 40A Drayton Bridge Road, Hanwell,

Ealing, London W7 IEX

Applicant : Mr Zaid Khalil

Representative : Mr Geoffrey Stagg - Taylor Rose MW

**Solicitors** 

Respondent : Mr Peter McCann

Type of Application : A referral from the County Court of a

Determination of premium and terms of acquisition: Section 48 Leasehold Reform, Housing & Urban Development

Act 1993

Tribunal Member : Mrs A J Rawlence MRICS

Date of Decision : June 2021

**DECISION** 

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The Tribunal determines that the premium to be paid for a 90 year lease extension for the property known as 40A Drayton Bridge Road, Hanwell, Ealing, London W7 IEX ("the Property") under the terms of the Leasehold Reform, Housing and Urban Development Act 1993 is £31,000.

### **Reasons for Decision**

#### Introduction

- 1. On 28 January 2021, Deputy District Judge Le Bas sitting at County Court at Brentford ordered the following:
  - a. Under section 50(2) of the Leasehold Reform, Housing & Urban Development Act 1993 ("the 1993 Act") the Court dispenses with the requirement for the Claimant to serve a preliminary Notice on the Defendant under section 42 of the 1993 Act.
  - b. A Vesting Order under section 50(1) of the 1993 Act is made to acquire the new Lease in the form to be approved by the First Tier Tribunal in the Property at 40A Drayton Bridge Road, Hanwell, Ealing, London W7 1 EX in favour of the Claimant, in accordance with the terms of the 1993 Act upon payment into Court of the Appropriate Sum, to be determined by the First Tier Tribunal under section 50(1) of the 1993 Act.
  - c. A Partner of McMillan Williams Solicitors or Taylor Rose MW be appointed as the Designated Person for the purpose of executing the Deed of Variation.
  - d. Upon the payment into Court by the Claimant of the Appropriate Sum less the Claimant's costs occasioned by this Claim, the Deed of Variation in the form approved by the First Tier Tribunal shall be executed by the Designated Person and the Designated Person shall deliver the original Deed of Variation of the Nominee Purchaser.
  - e. The proceedings shall be stayed to permit the First Tier Tribunal to assess the value of the Appropriate Sum.
- 2. Directions were issued on 18 February 2021 and, in compliance with those Directions, the Applicant made submissions.

## **Matters of fact**

- 3. The following items were available to the Tribunal:
  - a) Valuation Date: 7 April 2020, being the date of the claim to the County Court
  - b) Start date of lease 25 December 1987
  - c) Term 99 years
  - d) Ground Rent:
    To 24.12.2020 £100.00 per annum
    From 25.12.2020 to 24.12.2053 £200.00 per annum

## **Proposed Terms for the Lease Extension**

4. The Applicant proposed that the new lease be granted on the same terms as the existing least at a peppercorn rent for a term expiring 90 years after the term date of the existing lease. No other modifications or amendments to the new lease were requested other than those that are required by the 1993 Act.

### The Law

- 5. The relevant law is set out in Chapter II sections 39 to 62 and Schedule 13 to the Leasehold Reform, Housing and Urban Development Act 1993 ("the 1993 Act").
- 6. Chapter II of the 1993 Act relates to the individual right of a tenant of a flat to acquire a new lease of that flat. The law is contained in Sections 39 to 61B of the 1993 Act and Part 2 of Schedule 13 deals with the premium payable in respect of the grant of a new lease.

## The Applicant's submissions

- 7. The Applicant provided a valuation carried out by David Cooper Associates and dated 8 December 2020. This showed a calculation of the freeholder's interest at £31,000 as at 7 April 2020.
- 8. The Applicant purchased the lease on 21 December 2000.

#### The Tribunal's Deliberations

- 9. The Tribunal has made a paper determination as to the terms of the new lease. The Tribunal considered the valuation of the Property and the assumptions and calculations made by David Cooper Associates.
- 10. The Tribunal agrees with the valuation of 40a Drayton Bridge Road, Hanwell, Ealing, London of £31,000.

## **Appeal Provisions**

- 11. 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.
- 12. 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.
- 13. 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.
- 14. 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.

Anthea J Rawlence Chair

# Appendix 1

# Valuation of Flat 7 89/91 Loughborough Road, West Bridgford, Nottingham

Term					
Initial ground rent	£10				
YP x 56 years 6%	16.03	£160.3			
Reversion					
Extended lease value	£110,000				
PV £1 in 56yrs @5%	0.065	£7,150			
		£7,310		£7,310	
Marriage Value					
Proposed leaseholder interest	£110,000				
value of freehold new interest	nil	£110,000			
less					
existing leaseholder's interest		£90,000			
existing leaseholder interest		£7,310	£97,310		
Difference			£12,690		
landlord share 50%			£6,345	£6,345	
Freehold interest				£13,655	