



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

**Case reference** : **LON/00AH/OLR/2021/0710**

**HMCTS code  
(paper, video,  
audio)** : **V:VIDEOREMOTE**

**Property** : **33 Carlton Court, Auckland Road,  
London SE19 2RS**

**Applicant** : **Irfan Ali Shah and Kanval Shah**

**Representative** : **Mr Jonathan F Dean MRICS**

**Respondent** : **Gatetop Properties Ltd**

**Representative** : **Mr Andrew Cohen MRICS**

**Type of application** : **Lease extension – section 48(1) of the  
Leasehold Reform, Housing and Urban  
Development Act 1993**

**Tribunal  
member(s)** : **Judge Tagliavini  
Mr K Ridgeway MRICS**

**Venue** : **10 Alfred Place, London WC1E 7LR**

**Date of hearing** : **8 March 2022**

**Date of decision** : **16 March 2022**

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**DECISION**

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**Covid-19 pandemic: description of hearing**

This has been a remote hearing on the papers which has not been objected to by the parties. The form of remote hearing was V: VIDEOREMOTE. A face-to-face hearing was not held because all issues could be determined in a remote VIDEO Hearing and a face-to-face hearing was not requested by the parties. The documents that the Tribunal were referred to are in a bundle of 212 pages, the contents of which have been considered.

## **The tribunal's summary decision**

- (1) The premium payable for the grant of a new lease of 33 Carlton Court, Auckland Road, London SE19 2RS is £72,300.**
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## **The application**

1. This is an application made section 48(1) of the Leasehold Reform, Housing and Urban Development Act 1993 seeking the tribunal's determination of the premium to be paid for the grant of a new lease of 33 Carlton Court, Auckland Road, London SE19 2RS ('the flat') a two-bedroom second floor flat built circa 1960's.

## **Background**

2. The applicants are the long lessee of the premises under a lease dated 30 June 1961 made between A.J. Wait & Co Limited and Edmund Thomas Goffe-Wood and Pauline Johana Goffe-Wood for a term of 99 years with effect from 29 September 1960. In a Notice of Claim dated 18 March 2021 the applicants sought the grant of a new lease for a premium payable of £57,000. In a Counter Notice dated 12 May 2021 the respondent admitted the applicants' right to the grant of a new lease but asserted that the premium payable is £100,000.
3. Subsequently, the parties' valuers, Mr Dean MRICS for the applicants and Mr Cohen MRICS for the respondent agreed the following issues:
- (i) The date of valuation is 18 March 2021.
  - (ii) There were 38.53 years unexpired at the date of valuation.
  - (iii) The deferment rate is 5% for the freehold reversion.
  - (iv) The GIA of the flat is 70sqm (753 sqft).
  - (v) The capitalisation rate for the ground rent is 7%.
  - (vi) The value of the flat with an extended lease is 98.1% of the freehold value.
  - (vii) The value of the flat with the current lease is 60.7% of the freehold value.

4. Therefore, the only remaining issue to be determined by the tribunal is the premium payable.

### **The applicants' case**

5. Mr Jonathan Dean MRICS represented the applicants both as their advocate and their valuation expert witness. In his oral evidence to the tribunal, Mr Dean spoke to his valuation report dated 15 February 2022, in which he contended for a premium of £72,299 (rounded to £72,3000 to be paid by the applicants. In support of his contentions, Mr Dean relied upon a number of sales of comparable properties within 250m of the flat within a few months of the date of valuation.
6. It was agreed that the kitchen and bathroom were in a basic condition. Mr Dean contended that the installation of double glazing should be disregarded as a tenants' improvement and that there was no right to use the rear communal area. However, Mr Dean was unable to provide any details as to when the double glazing was installed, who installed it or at what cost. He contended that about £4,000 should be disallowed in respect of the double glazing although appeared not to reflect this in his valuation.
7. Mr Dean placed particular reliance upon the sales of 3 and 5 Embassy Court as being close to the subject flat, although in the SE25 postcode and which sold for £270,000 in October 2020 and £271,000 in May 2021 with around 140 years remaining on their leases. Mr Dean made no adjustments on these sales prices even though Flat 3 Embassy Court is a ground floor flat with doors opening onto a front garden and 5 Embassy Court comprising a first floor flat.
8. After the conclusion of the hearing Mr Dean, with the agreement of the tribunal and Mr Cohen provided documentary evidence of service charges payable for the flat in the period 24/06/2021 to 23/06/2021 having contended there were two sperate service charges demanded in respect of (i) block costs and (ii) estate costs. This was in contrast to Mr Cohen's assertion that there was only one annual service charge levied of around £1,500.

### **The respondent's case**

9. The respondent relied upon the evidence of Mr Cohen MRICS who also acted as an advocate and valuation expert witness. Mr Cohen spoke to his report dated 15 February 2022 and in which he calculated the premium payable as £88,681.
10. Mr Cohen relied upon sales of a number of fats which he asserted were comparable to the subject flat. These also included 3 and 5 Embassy Court with the remaining 7 sales having taken place on properties locate

in the SE19 postcode. Mr Cohen emphasised that the best comparable sales of properties should be of those located in the same postcode as the subject flat.

11. Mr Cohen made a number of adjustments in respect of the other 7 sales to reflect their differences with the subject flat. These included the demise of a garden, their superior condition, and larger sizes. Mr Cohen told the tribunal in his evidence that he had tried to 'stand back' to ensure the adjustments he made to these comparable sales and the prices paid appeared reasonable. Mr Cohen did not accept there were any tenant's improvements to be disregarded at the subject flat and contended the lessees had shared use of the rear communal area.

### **The tribunal's decision and reasons**

12. The tribunal determines the premium payable for the grant of a new lease is £72,300.
13. The tribunal preferred the evidence of Mr Dean to that of Mr Cohen. The tribunal found the evidence of Mr Cohen on the adjustments he had made, in respect of his 7 alternative comparable sales to be inconsistent and unreliable. In contrast, the tribunal preferred the evidence relied upon primarily of Mr Dean of the sales of Flats 3 and 5 Embassy Court as being the similar to the subject premises. As these sales took place in October 2020 and May 2021 respectively, they straddled the valuation date sufficiently closely to provide good evidence of the premium to be paid for the subject flat.
14. The tribunal however finds that the annual service charges in the year comprised of a single demand as part of the evidence provided by Mr Dean related to premises described as Garage 9, Enderley House, Sylvan Road, London SE19 2RT which did not form part of this application.
15. The tribunal is not satisfied that the double glazing is a tenant's improvement. The tribunal finds that Mr Dean in his report conceded the applicants have the use of the communal rear garden although he did not openly repeat this concession at the hearing. In any event the tribunal notes that under the terms of the lease the lessees are required to contribute to the maintenance of the rear garden as well as other communal areas.
16. In conclusion the tribunal determines the premium payable is £72,300 as set out in the valuation of Mr. Dean in his report dated 15 February 2020 and in the tribunal's valuation attached.

**ANNEX - RIGHTS OF APPEAL**

*Appealing against the tribunal's decisions*

1. A written application for permission must be made to the First-tier Tribunal at the Regional tribunal office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional tribunal office within 28 days after the date this decision is sent to the parties.
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 state the grounds of appeal and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers
5. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.

**Tribunal's valuation for lease extension**

**Flat 33 Carlton Court, 14 Auckland Road, London, SE19 2RS**

	18/03/202			
Valuation Date	1			
	29/09/196			
Lease Commencement	0			
Lease Term	99.00	years	Expiry Date	28/09/2059
Unexpired Term	38.53	years		
Long Lease value	£270,000	+98.1% F/H VP value		
Freehold VP value	£275,229			
Ground rent	£12.60			
Reversion years	38.53			
Capitalisation rate	7%			
Deferment rate	5%			
Compensation	£0.00			
Relativity	60.70%			

**Diminution of Landlord's interest**

Ground rent				£13	
				13.231946	
	YP	38.53	yrs @	7.00%	29
Reversion to VP value				£275,229	
				0.1526076	
	PV	38.53	yrs @	5.00%	5
					£42,002
<b>Value existing freehold</b>					<b>£42,169</b>

**L/ord's interest on reversion of new lease**

FH VP				£275,229	
		128.5		0.0018903	
	PV	3	yrs @	5.00%	4
					-£520
					<b>£41,648</b>

**Landlord's share of Marriage Value**

Val. Tenant's interest new long lease				£270,00
Val. I/lord's interest after reversion of new lease				£520
				<u>£270,52</u>
				<b>Less</b>
Val. tenant's interest existing lease	Relativity	60.70%	£167,064	
Val. I/lord's interest existing lease				
			<u>£42,169</u>	
				£209,23
				<u>3</u>
				<u>£61,287</u>
Marriage Value at 50%				<b>£30,644</b>
<b>PREMIUM</b>				£72,292
<b>Say</b>				<b>£72,300</b>