



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

Case reference : **LON/00AU/OLR/2023/0339**

Property : **464B Hornsey Road, London, N19
4EE**

Applicant : **Mr Rakesh Vinodrai Patel**

Representative : **YVA Solicitors**

Respondent : **Mr David Mark Smith**

Representative : **Not applicable (missing landlord)**

Type of application : **Application under sections 50 and
51 of the Leasehold Reform
Housing and Urban Development
Act 1993**

Tribunal member : **Ian B Holdsworth FRICS MCI Arb
RICS Registered Valuer**

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

**Date of paper
determination** : **2 August 2023
Revised 9th August 2023**

DECISION

We exercise the powers under Rule 50 of the *Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013* to correct the clerical mistake, accidental slips or omissions at 9(i) and 9(iv) under the heading ‘Decisions of the tribunal’ of the Decision dated 2 August 2023 . The amendments are made in bold and underlined.

Decisions of the Tribunal

- (1) The tribunal determines that the price to be paid by the applicant for the new lease on statutory terms is **£71,800**.

The Background

1. This is an application under section 50 and 50(1) of the Leasehold Reform Housing and Urban Development Act 1993 (“**the 1993 Act**”) pursuant to an order made by Deputy District Judge Grant, sitting at the County Court at Central London on 16 January 2023 (“**the order**”).
2. Sections 50 and 50(1) of the 1993 Act concerns claims for a statutory lease extension where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 51 of the 1993 Act, the role of the tribunal is to determine the appropriate sum to be paid into court in respect of the landlord’s interests.
4. The applicant in this matter is Mr Rakesh V Patel. He is the qualifying tenant of 464B Hornsey Road, London, N19 4EE (“**the Property**”). The respondent freehold owner is Mr David Mark Smith.
5. On 8 March 2022, the applicant issued a Part 8 Claim at the County Court at Central London for an order pursuant to section 50(1) of the 1993 Act seeking a new lease in the Property. The applicant has been unable to ascertain the whereabouts of the respondent.
6. The applicant subsequently applied for a vesting order under section 49(3) of the 1993 Act. The vesting order was granted subject to the determination of this tribunal. The order dispensed with the statutory requirement to serve a section 42 notice on the Defendant.
7. The applicant has provided the tribunal with a valuation report prepared by Ms Gemma Quinn BSc BA MRICS RICS Registered Valuer dated 19th June 2023.
8. Ms Quinn is of the view that the premium to be paid for the statutory lease extension is £60,000 as at the valuation date of 8th March 2022.

The Determination

9. After careful scrutiny the tribunal accepts the opinions expressed by Mrs Quinn in her valuation report dated 19th June 2023 save that:

- (i) The Tribunal has adopted current long leasehold values in vacant possession for the first and second floor flat of **£600,000**. After careful consideration of the submitted Structural Condition Reviews prepared by Frampton- Martin Sage Design dated 8 December 2017 and 18 March 2023 the Tribunal conclude that a realistic deduction from the long leasehold Market Value to reflect condition is £20,000. The indicative repair cost figure of around £14,450 provided by the Structural Engineer is relied upon in arriving at this sum.
 - (ii) The Expert provides no cogent evidence to support her assertion that the value of the dwelling will be impaired after remedial works are carried out. In particular of the risk that “*insurance will be unobtainable*” This is not the experience of the Tribunal.
 - (iii) The Tribunal are not persuaded that the value of the listed improvements carried out by the Applicant during his tenancy amounts to £50,000. Many of the works listed are maintenance rather than improvements to the dwelling. The Tribunal determine that the sum to be deducted to reflect enhanced value from improvement works amounts to £20,000.
 - (iv) After adoption of the revised deductions as explained above (i-iii) the **adjusted** long leasehold value is assessed as £560,000.
10. The adjusted calculation has resulted in a premium of **£71,800**. A copy of the Tribunal’s valuation is attached to this decision.
 11. Accordingly, the Tribunal determines that the premium to be paid in respect of the statutory Lease Extension of 464B Hornsey Road, London, N19 4EE is £71,800.
 12. The Tribunal also approves the draft transfer which has been submitted by the applicant, subject to the inclusion in box LR7 and 1.1 that the consideration has been paid into court. The premium payable is **£71,800** less any summarily assessed costs. The Tribunal also notes that at “Property” (s 1.1) in the draft lease the dwelling is referred to as **32B Beaconsfield Road Southgate London N11 3AB**, page 89 of the bundle. This should be corrected.
 13. This matter should now be returned to the County Court sitting at Central London under Claim Number **J00CL 728** in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

2 August 2023 Revised and **corrected 9 August 2023**

Appendix A : Premium Valuation

Property: 464b Hornsey road N19 4EE				
Reference: LON/00AU/OLR/2023/0339				
Lease and Valuation Data				
Lease Term:		01/01/1984		
Lease Expiry date:		31/12/2082		
Unexpired term as at valuation date:	60.81	years		
Date of Valuation		08/03/2022		
Rent receivable by landlord:				
Payable from valuation date for 60.81 years	£	60.00		
Values				
Extended lease value on statutory terms	£	560,000		
Notional Freehold	£	565,657		
LHVP with current term unexpired	£	445,907	Relativity	78.8%
Capitalisation rate (%)		7.00		
Deferment rate (%)		5.00		
Value of Freeholders present interest				
Term 1				
Ground rent payable	£	60.00		
YP @ 60.81 years @ 7%		14.05233	£	843
Reversion				
Freehold in vacant possession	£	565,657		
Deferred @ 60.81 years @ 5%		0.05146	£	29,109
Current value of the freeholders interest			£	29,952
Less				
Freehold value after leasehold extension	£	565,657		
PV of £1 in 150.81 years at 5%		0.00064	£	361
Freeholders interest value			£	29,592
Marriage value				
Value of flat with long lease on statutory terms	£	560,000		
Landlords proposed interest	£	361	£	560,361
Less				
Value of Leaseholders existing interest	£	445,907		
Value of Freeholders current interest	£	29,952	£	475,859
Marriage value	Total		£	84,501
Division of Marriage Value equally between				
Freeholder			£	42,251
Leaseholder			£	42,251
Price payable to Freeholder				
Value of freeholders current interest			£	29,592
Plus share of marriage value			£	42,251
	Total		£	71,842
	Say		£	71,800

