



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

Case Reference : **MM/LON/00AS/OLR/2023/0573**

HMCTS code (paper, Video, audio) : **P: PAPERREMOTE**

Property : **43b Murray Road Northwood HA6 2YP**

Applicant : **Brian Kennedy**

Representative : **Freemans Solicitors**

Respondents : **Gerard D Bertolotti, Dennis J Harding, Jean Harding and Angela Burton.**

Representative : **Missing Landlord**

Type of Application : **Sections 26 and 27 of the Leasehold Reform, Housing and Urban Development Act 1993**

Tribunal Member : **Mr R Waterhouse BSc (Hons) LLM Property Law MA FRICS**

Date of Decision:
10th October 2023

DECISION

This has been a remote paper determination, which has been consented to by the parties. A face-to-face hearing was not held because it was not practicable, and no one requested same.

The documents the Tribunal were referred to a bundle containing 177 pages.

Summary of the tribunal's decision

(1) The appropriate premium payable for the lease extension is £8500.00 (Eight thousand five hundred pounds)

Background

1. This is an application made by the applicant for a lease extension pursuant to chapter II of the Leasehold Reform Housing and Urban Development Act 1993 of 43b Murray Road HA6 2YP (the “property”) where three of the four defendants cannot be found, the first does not object to the lease extension but is unable to grant on his own, he was no longer in contact with the other defendants.
2. The case was transferred to the tribunal by Order of County Court at Watford for a determination of the premium. It was ordered “ The claimant is entitled to his costs of and incidental to acquiring a new lease under the Act, including costs of this claim and of the First Tier Property Tribunal, such costs to be deducted from the appropriate sum which the Claimant is obliged to pay into Court under Section 51 and Schedule 13 of the Act. The Claimants costs of these proceedings to date are assessed at £7154.40.
3. Additionally, it was ordered that “the first defendant is entitled to his costs of and incidental to these proceedings , including the costs of this claim and of the First Tier Tribunal, such costs to be deduced from the residual amount which the Claimant is obliged to pay into Court” Defendant shall pay the claimants costs assessed in the sum of £5064, this sum to be deducted from the sum referred to at paragraph 4 of this Order”.

The issues

4. In the absence of all the Landlords there are no matters agreed. The applicants have submitted a valuation report prepared by Adam Smylie at Kirkby Diamond noting the following matters:

(a) 43 Murray Road is a late Victorian built former house which has been converted into two maisonettes.

43b is a first-floor maisonette accessed via a door to the front elevation leading into an entrance hall with stairs up to the first floor.

Accessed off a central landing are a second bedroom and lounge to the front bathroom to the side and kitchen and bedroom to the rear.

Externally the property includes the rear half of the back garden accessed via a walkway to the side of the property.

(b) The valuation date is 17th September 2021.

(c) Details of the tenants' leasehold interests:

The lease relates to 43 b Murray Road, the property is held for a term of 125 years from 30th June 1978, the ground rent is fixed at £1 pa.

At the date of valuation, the lease had 81.78 years unexpired on the term.

(d) Four comparables for long lease similar properties were identified in the report

Ground floor flat 29 Murray Road January 2022 £558/m²

33 Hawkesworth Close Northwood – November 2022 £552/m²

2 St Matthews Court Forge Lane Northwood – September 2022 £522/m²

Flat 7 Tudor Lodge 8 Murray Road – April 2021 £570/m²

The valuer adopting £ 558/m² giving £450,000 for the long leasehold interest in the subject property.

(e) addition of 1% to the long leasehold figure to achieve a value for the freehold.

(f) Capitalisation of ground rent: 6% per annum

(g) Deferment rate: 5%

(h) no marriage value as unexpired term above 80 years

The hearing

5. The case was dealt with on the papers on 11th October 2023 with the necessary documents provided in a bundle by the Applicant's representative.

6. The tribunal was not asked to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.

7. The applicant relied upon the expert report and valuation Kirby Diamond.

Capitalisation rate

8. The valuer considers that capitalisation rates 6.0% are normal. The rent is modest and no reviews.

The tribunal's determination

9. The tribunal determines that the rate to be used is 6.0%.

Reasons for the tribunal's determination

10. The tribunal notes that a rate of 6.0% has been used and in the absence of any specific evidence to show that this should be varied in this case the tribunal will adopt this rate.

Deferment rate

11. The Valuer applies the Sportelli rate of 5%

The tribunal's determination

12. The tribunal determines that 5% is appropriate as the deferment rate.

Reasons for the tribunal's determination

13. The tribunal sees no reason to depart from the Sportelli rate.

Freehold value

14. The Valuer values the long lease hold at £450,000 with a one per cent uplift for the freehold.

The tribunal's determination

15. The tribunal determines £450,000 for the long leasehold , the comparables being supportive.

Reasons for the tribunal's determination

16. The Valuer presented comparable properties within their valuation report.

17. The tribunal has considered the evidence which it agrees is appropriate.

Development hope value

18. The tribunal determines that there is no development hope value to be included in the calculation, none is identified in the Valuers valuation.

Reasons for the tribunal's decision

19. The property is fully utilised by the subject flat and there is no development potential.

Appurtenant land

20. No value identified for appurtenant land.

Reasons for the tribunal's decision

21. The nominal figure is accepted by the tribunal.

The premium

20. The tribunal determines the appropriate premium to be £8500.00 Comprised of ,

Term 1				value	
Loss of rental income	81.78 £1pa years	6%	16.525	£16.52	
Reversion					
Freehold vacant possession	PV 81.78	5%	£454,500. 00 0.0185	£ 8406.90 Total £8425.43	Say £8500.00

Richard Waterhouse

Name: Mr R Waterhouse **10th**
Valuer Chair **October 2023**

ANNEX – RIGHTS OF APPEAL

- 1. 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 at the Regional Office which has been dealing with the case.**
- 2. 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.**
- 3. If the application is not made within the 28-day time limit, such application must include a request to 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 identify the decision of the Tribunal to which it relates (ie 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**