



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

Case reference : **AGR/LON/00BJ/0LR/2023/0836**

Property : **36 Charlmont Road, London, SW17 9AJ**

Applicant : **Mr Gary Edward Hanson
Mrs Julie Hanson**

Representative : **Buckles Solicitors**

Respondent : **(1) Desmond Theodore Harding
(2) Ponnudura Balendran
(3) Umakanthi Balendran**

Representative : **Not applicable – missing landlord**

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

Tribunal members : **Mr I B Holdsworth FRICS
RICS Registered Valuer**

Venue : **Remote**

**Date of paper
determination** : **12 November 2024**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines the price to be paid by the applicant for the lease extension is £).
- (2) The terms of the draft lease are provided for in paragraph 12 below.

The background

1. This is an application under Section 50 of the Leasehold Reform Housing & Urban Development Act 1993 ('the 1993 Act') pursuant to an order issued at the County Court at Wandsworth on 12 September 2023.
2. Section 50 of the 1993 Act concerns claims for 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 50 of the Act, the rôle of the Tribunal is to determine the appropriate sum to be paid into Court in respect of the landlord's interests and to approve the form and terms of the proposed new lease.
4. The applicants in this matter are Mr Gary Edward Hanson and Mrs Julie Hanson, they are the qualifying tenants of the first floor flat namely, 36 Charlmont Road, London, SW17 9AJ (**'the Property'**). The respondent freeholders are Desmond Theodore Harding, Ponnudura Balendran, Umakanthi Balendran.
5. On 8 June 2023 the applicants issued a Part 8 Claim at the County Court at Wandsworth for a vesting order under Section 50(1) of the 1993 Act seeking to extend the lease under the term of the Act. The applicant has been unable to ascertain the whereabouts of the respondent and was, therefore, unable to serve a notice on them pursuant to Section 13 of the 1993 Act.
6. The applicant has provided the Tribunal with a valuation report prepared by Mr Ghulam Yasin BSc MRICS dated 30 January 2024.
7. Mr Yasin is of the view the premium payable for the leasehold extension is £10,000.
8. Comparable sales' transaction evidence is provided in the submitted valuation report to support the freehold value. The extent of the original demise is also described. The Tribunal is told that the former roof space which is now converted to two bedrooms was not included in the original lease demise and is in accordance with statutory guidance disregarded for the purposes of the valuation.
9. The Tribunal has relied upon their knowledge and experience of the property market in the Tooting area of Wandsworth in making this determination. They have also had regard for recent and relevant Upper Tribunal decisions.

The determination

10. The Tribunal accepts the opinions expressed by Mr Yasin in his valuation report dated 30 January 2024, save that:

- (i) The tribunal has adopted a valuation date of 8 June 2023 which is the date the Part 8 Claim was submitted to the County Court at Wandsworth. This reduces the unexpired term to 85.79 years. This minor change to reversion length is used in the tribunal valuation.
- (ii) The Expert provides details of four property sales which he presents as properties comparable to 36 Charlmont Road. He deduces an average value as 724 per sq. ft which produces a freehold interest value without roof space of £560,000. The tribunal has reviewed the comparable evidence and taken the average value of the three, two bedroomed properties which produces an average of £774 per sq. ft. This equates to a freehold interest value of £620,000. The tribunal has experience and knowledge of the property market in this locality and has determined the market value for the property with share of freehold or long lease at £620,000 and the tribunal adopt this value in their premium calculation.
- (iii) Mr Yasin acknowledges in his report that a lease extension of this property would include compensation to the freeholder for development value. It is his opinion the uplift value arising from the two bedroom extension is around £60,000. He includes a sum of 1/3 or £20,000 of the uplift value as compensation. Under the prescribed valuation method this sum is assessed at the valuation date and is payable as part of the premium on grant of a new lease. The Expert in his premium calculation has deferred the payment of this sum to the reversionary date and this does not comply with statutory guidance. The tribunal includes the compensation sum for loss of development of £20,000 as a separate compensation head in their premium calculation.

11. An adjusted calculation that adopts the revised parameters listed in (i)-(iii) results in a freehold purchase premium of **£30,580**. A copy of the tribunal's valuation is attached to this decision.

12. Accordingly, the tribunal determines that the premium to be paid in respect of the grant of a new leasehold for the property on statutory terms is **£30,580** less the summarily agreed costs of **£6,535.20**.

13. The Tribunal also approves the draft proposed lease included in the bundle at pp.108 -114 subject to the inclusion at:

- section LR7 of the prescribed clauses a sum of £30,580 less summarily agreed costs as the premium payable; and

- at clause 2 of the lease, "*in consideration of the payment by the Tenant to the Landlord of the sum of*" £30,580 less summarily agreed costs has been paid into court.

14. This matter should now be returned to the County Court sitting at Edmonton under claim number **KOOWT932** for the final procedures to take place.

Valuer Chairman: Ian B Holdsworth FRICS

14 November 2024

Appendix A : Premium Valuation

Property: 36 Charlmont Road Tooting London SW17 9AJ			
Lease and Valuation Data			
Lease Term:		24/06/1984	
Lease Expiry date:		23/06/2109	
Unexpired term as at valuation date:	85.79	years	
Date of Valuation		08/09/2023	
Rent receivable by landlord:			
Payable from valuation date for 10.79 years	£	75	
Payable for term 2 for 25 years	£	100	
Payable for term 3 for 50 years	£	125	
Values			
Reversionary lease value on statutory terms	£	613,800	
Notional Freehold	£	620,000	
Capitalisation rate (%)		7.00	
Deferment rate (%)		5.00	
Value of Freeholders present interest			
Term 1			
Ground rent payable	£	75	
YP @ 10.79 years @ 7%		7.40155	£ 555
Term 2			
Ground rent payable	£	100	
YP @ 25 years @ 7%		11.65358	
Deferred for 10.79 years @ 7%		0.4819	£ 562
Term 3			
Ground rent payable	£	125	
YP @ 50 years @ 7%		13.80075	
Deferred for 35.79 years @ 7%		0.0888	£ 153
Reversion			
Freehold in vacant possession	£	620,000	
Deferred @ 85.79 years @ 5%		0.01521	£ 9,431
Total			£ 10,701
Less			
Freehold value after leasehold extension	£	620,000	
PV of £1 in 175.8 years at 5%		0.00019	£ 117
Freeholders interest value			£ 10,584
Calculation of Marriage Value			
Value of flat with long lease on statutory terms	£	-	
Landlords proposed interest	£	-	£ -
Less			
Value of Leaseholders existing interest (without Act rights)	£	-	
Value of Freeholders current interest	£	-	£ -
Marriage value	Total		£ -
Division of Marriage Value equally between			
Freeholder			£ -
Leaseholder			£ -
Apurtenent Property			
Loss of development			£20,000.00
Price payable to Freeholder			
Value of freeholders current interest			£ 30,584
Plus share of marriage value			£ -
		Total	£ 30,584
		Say	£ 30,580

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 Tribunal 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 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 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.