

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference	:	LON/00AT/OLR/2025/0606
Property	:	Flat 19 Osbourne Road, Hounslow, TW3 3EP
Applicants	:	Maciej Sokalska and Ewelina Sokalska
Representative	:	Morr & Co LLP
Respondent	:	Soaad Hassan Malatani
Representative	:	None
Type of Application	:	Leasehold Enfranchisement: Missing Landlord s50-51 Leasehold Reform, Housing and Urban Development Act 1993
Tribunal Members		Mr D Jagger MRICS
Date of Paper Determination	:	4 March 2025
Date of Decision	:	4 March 2025

DECISION

Decisions of the Tribunal

- The Tribunal determines that the appropriate sum to be paid into Court for the freehold interest in Flat 19 Osbourne Road, Hounslow, TW3 3EP ('the property), pursuant to sections 50 and 51 of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act'), is £6,950 (Six thousand nine hundred and fifty pounds)
- 1. This has been a paper decision which has been consented to by the applicants. The documents that were referred to are in a bundle which extends to 79 pages prepared by the applicants, plus the Tribunal's directions. The contents of which we have recorded. Therefore, the tribunal had before it an electronic/digital trial bundle of documents prepared by the applicant, in accordance with previous directions.

The application

- 1. On 8 June 2022, Morr & Co LLP, the solicitors for the applicant, issued a Part 8 Claim (JooBF768) in Brentford County Court seeking a vesting order under section 50(1) of the Leasehold Reform, Housing and Urban Development Act 1993 ('the Act'). This is therefore the date of valuation and we shall return to this matter later in this decision.
- 2. On 23 March 2023 the Deputy District Judge made an order in the following terms:
- 3. 1 The requirement to serve a section 42 notice under the act is dispensed with. 2 The matter is transferred to the First Tier (Property Chamber) for the purpose of determining the terms of the new lease to include any premium to paid in relation to the new lease ("The New Lease") 3 The new lease may be executed by any Judge sitting in the County Court at Brentford pursuant to section 51(3) of the Act. 4 The new lease shall vest in the claimants pursuant to 51(1) of the Act. Vesting will become effective on the Claimants paying the appropriate sum (as calculated by the First Tier Property Tribunal) into court and on execution of the new lease. 5 The Defendant shall pay the Claimants costs summarily assessed at £992, such monies to be deducted from the amount payable for the appropriate premium for the new lease per the determination of the First Tier Tribunal.
- 4. Following various investigations the applicants' representatives were unable to locate Soaad Hassan Malatani

- 5. In accordance with the vesting order the application was submitted to the First-tier Tribunal, Property Chamber and directions were issued on 8 January 2025. These provided that the case would proceed to a paper determination. The applicants have not objected to this or requested an oral hearing.
- 6. The paper determination took place on 4 March 2025.
- 7. In accordance with the directions, the applicants' solicitors supplied the Tribunal with a well prepared and helpful bundle that contained copies of relevant documents from the County Court proceedings, various title documents, the existing and proposed lease and an Expert Witness valuation report prepared by Mr Arvind Ram B.Sc (Hons) MA MRICS dated 20 June 2022.
- 8. The relevant legal provisions are set out in the appendix to this decision.

<u>The background</u>

- 9. The leasehold interest in the flat is now registered in name of the applicants by virtue of a transfer for the ground floor flat made on 24 September 2019 under Title No NGL312240. The freehold of the building has been registered in the name of the respondent under title number MX317385 since the 9 June 1978.
- 10. The property is a ground floor converted flat which forms part of a Victorian semi detached property located in an established residential area converted to form two self-contained flats approached via a communal hallway. The flat has 2 bedrooms, living room, kitchen and bathroom. There is a rear garden and outbuilding. It is assumed the flat has not been subject to any significant internal alterations.

11. The issues

- 12. The Tribunal is required to determine the premium to be paid for the extended lease in accordance with the 1993 Act and the appropriate sum to be paid into Court pursuant to section 27(1)-(7) of the Act.
- 13. The Tribunal is required to consider the proposed terms of the lease .
- 14. The Tribunal did not consider that an inspection of the flat was necessary under current circumstances, nor would it have been proportionate to the issues in dispute.

15. Having studied the various documents in the applicant's bundle, the Tribunal has made the determination set out below.

The sum to be paid into court

- 16. We determine that the premium payable under the 1993 Act is **£6,950** (Six thousand nine hundred and fifty pounds) and this is the appropriate sum to be paid into Court under section 27(1). Our reasons are set out as follows.
- 17. In his report, Mr Ram valued the premium at £6,950. This was based on Freehold value of £318,000 (Long lease value £315,000), a capitalisation rate of 6.5%, and a deferment rate also of 6.5%. Mr Ram used the 8th June 2022 as the valuation date. However, the precise date of the Claim form is the 7 June 2022. In view of the fact there is only one day differential this Tribunal accepts the figures in the report.
- 18. At that date, the lease had an unexpired term of 80 years 16 days which is quite opportune. The Tribunal agrees, in view of the fact that the lease has an unexpired term of greater than 80 years marriage value is deemed not to exist.
- 19. Having carefully scrutinized the valuation report, including the comparable evidence, the Tribunal agrees the capitalisation rate of 6.5% which takes into account the modest ground rent with no review machinery.
- 20. The Tribunal considered the two comparables provided in the report. The first being 43 Bulstrode Avenue Hounslow TW3 3AA, which is a converted ground floor two-bedroom garden flat located in a nearby road. This property sold for £353,500 on the 27 July 2021. This is a larger flat with allocated parking on the frontage. Mr Ram considered a superior flat and considered a 15% adjustment should be made.
- 21. The second comparable is Flat 276A Hanworth Road, Hounslow TW3 3TY. This is a first floor converted one bedroom flat. Mr Ram considered that an adjustment should made as this had only one bedroom and no garden. house price index to allow for time.
- 22. The report contained no agents details or photographs of the comparable evidence and no house price index to allow for time compared to the valuation date. This really falls short of the Tribunals expectations, and we find it difficult to believe there was no additional evidence available within a 600m radius over the past 12 months. However, despite these misgivings, based upon the comparable evidence and the Tribunals expert knowledge of the area, the Tribunal agrees with the freehold value of £318,000 entered in the expert's valuation.

23. There was no evidence of any ground rent or service charge arrears for the flat. In the absence of such evidence, the Tribunal determines that no additional sums are payable under the 1993 Act. It follows that the appropriate sum to be paid into Court is **£6,950** in accordance with the valuation report included in Mr. Ram's report.

<u>Terms of the Transfer</u>

24. We have considered the new draft lease for property We are satisfied that the terms should be approved as drafted.

Name: Duncan Jagger MRICS Date: 4 March 2025

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.

Appendix of relevant legislation

Leasehold Reform, Housing and Urban Development Act 1993 (as amended)

Section 50 (1)-(3)

(1) Where –

 (a) a qualifying tenant of a flat desires to make a claim to exercise the right to acquire a new lease of his flat, but
 (b) the landlord cannot be found or his identity cannot be ascertained the court may, on the application of the tenant, make a vesting order under this subsection.

(2) Where –

(a) a qualifying tenant of a flat desires to make such a claim as is mentioned in subsection (1), and
(b) paragraph (b) of that subsection does not apply, but
(c) a copy of a notice of that claim cannot be given in accordance with Part 1 of Schedule II to any person to whom it would otherwise be required to be so given because that person
cannot be found or his identity cannot be ascertained, the court may on an application of the tenant, make an order dispensing with the need to give a copy of such a notice that that person.

(3) The court shall not make an order on any application under subsection (1) or (2) unless it is satisfied –

(a) that on the date of the making of the application the tenant had the right to acquire a new lease of his flat; and

(b) that on that date he would not have been precluded by any provision of this Chapter from giving a valid notice under section 42 with respect to his flat.

Section 51

(1) A vesting order under section 50(1) is an order providing for the surrender of the tenant's lease of his flat and for the granting to him of a new lease of it on such terms as may be determined by the appropriate tribunal to be appropriate with a view to the lease being granted to him in like manner (so far as the circumstances permit) as if he had, as the date of his application, given notice under section 42 of his claim to exercise the right to acquire a new lease of his flat.

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^{• (2)} If the appropriate tribunal so determines in the case of a vesting order under section 50(1), the order shall have effect in relation to property which is less extensive than that specified in the application on which the order was

made.

(3) Where any lease is to be granted to a tenant by virtue of a vesting order under section 50(1), then on his paying into court the appropriate sum there shall be executed by such person as the court may designate a lease which – (a) is in a form approved by the appropriate tribunal, and (b)contains such provisions as may be so approved for the purpose of giving effect so far as possible to section 56(1) and section 57 (as that section applies, in accordance with

subsections (7) and (8) below;

and that lease shall be effective to vest in the person to whom it is granted the property expressed to be demised by it, subject to and in accordance with the terms of the lease.

- (4) In connection with the determination by the appropriate tribunal of any question as to which the property to be demised by any such lease, or as to the rights with or subject to which it is to be demised, it shall be assumed (unless the contrary is shown) that the landlord has no interest in property other than the property to be demised and, for the purpose of excepting them from the lease, any minerals underlying that property.
- (5) The appropriate sum to be paid into court in accordance with subsection
 (3) is the aggregate of
 - (a) such amount as may be determined by the appropriate tribunal to be the premium which is payable under Schedule 13 in respect of the grant of the new lease;
 - (b) such other amount or amounts (if any) as may be determined by such a tribunal to be payable by virtue of that Schedule in connection with the grant of that lease; and
 - (c) any amounts or estimated amounts determined by such a tribunal as being, as the time of execution of that lease, due to the landlord from the tenant (whether due under or in respect of the tenant's lease of his flat or under or in respect of any agreement collateral thereto).
- (6) Where any lease is granted to a person in accordance with this section, the payment into court or the appropriate sum shall be taken to have satisfied any claims against the tenant, his personal representatives or assigns in respect of the premium and any other amounts payable as mentioned in subsection (5)(a) and (b).
- (7) Subject to subsection (8), the following provisions, namely (a) sections 57 to 59, and
 (b) section 61 and Schedule 14,

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shall, so far as capable of applying to a lease granted in accordance with this section, apply to such lease as they apply to a lease granted under section 56, and subsections (6) and (7) of that section shall apply in relation to a lease granted in accordance with this section as they apply in relation to a lease granted under that section.

(8) In its application to a lease granted in accordance with this section

- (a) section 57 shall have effect as if –
 (i) any reference to the relevant date were a reference to the date of the application under section 50(1) in pursuance of which the vesting order under that provision was made, and
 (ii) in subsection (5) the reference to section 56(3)(a) were a reference to subsection (5)(c) above; and
- (b) section 58 shall have effect as if –
 (i) in subsection (3) the second reference to the landlord were a reference to the person designated under subsection (3) above, and
 (ii) subsections (6)(a) and (7) were omitted.

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