



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

**Case reference** : **LON/00AY/OLE/2024/0003**

**Property** : **85 Babington Road, London SW16 6AN**

**Applicant** : **The Church Trustees of St Pancras**

**Representative** : **Mr Sebastian Reid, counsel**

**Respondent** : **Mr Brian Dodd**

**Representative** : **Mr Richard O’Sullivan, counsel**

**Type of application** : **Rent review – s.21(1)(B) of the  
Leasehold Reform Act 1967**

**Tribunal members** : **Judge Tagliavini  
Mr A Harris LLM FRICS FCI Arb**

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

**Date of hearing** : **11 March 2025**  
**Date of decision** : **17 March 2025**

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**DECISION**

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## **The tribunal's summary decisions**

- (1) The letter dated 1 November 2022 was valid to notify the respondent of the applicant's decision to review the ground rent in accordance with the terms of the lease.
  - (2) The modern ground rent payable with effect from 13 March 2023 is £22,750.
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## **The application**

1. This is an application made pursuant to s.21(1)(B) of Leasehold Reform Act 1967('the 1967 Act') seeking a determination by the tribunal of the Modern Ground Rent (MGR) payable after review in accordance with the terms of the lease and pursuant to s.15 of the 1967 Act

## **Background**

2. The Applicant is the registered freehold owner of 85 Babington Road Streatham, London SW16 6AN ('the Property') The Respondent is the registered leasehold owner of the property pursuant to the terms of a 50 year lease dated 13 March 1998 between the Applicant and Alice Dodd ('the lease'). The annual rent reserved under the lease was £3,250. However, the second schedule of the lease sets out the lessor's entitlement to seek a revision of the rent due under the lease payable after 13 March 2023.
3. By a letter dated 1 November 2022 the applicant informed the respondent that:

*We act for your landlord, The Trustees of St Pancras Church Lands Trust. As you probably know, your lease has a ground rent review with affect from 13 March 2023. We would like an opportunity to inspect the house on Wednesday 16 November at 12 noon in order to advise our Client on the rent review...*

4. In a letter dated 31 May 2023 the applicant informed the respondent the ground rent payable with effect from 13 March 2023 is valued at £23,500 per annum. Subsequently, the applicant made this application to the tribunal.

## **The issues**

5. The respondent submitted:
  - (i) The letter of 1 November 2022 was insufficient to give notice to the respondent of the applicant's intention to review the ground rent; and
  - (ii) The Notice is invalid; and
  - (iii) The Applicant has missed the opportunity to review the rent; or in the alternative,
  - (iv) The reviewed rent should be £15,750 per annum.

## **The hearing**

6. A remote video hearing was held at which the applicant was represented By Mr Sebastian Reid of counsel and the respondent was represented by Mr Richard O'Sullivan of counsel. The parties relied on the valuation reports of Mr Andrew Carrick MRICS dated 4 March 2025 and Mr Wilson Dunsin FRICS dated 4 March 2025 respectively and both gave oral evidence to the tribunal. A digital bundle of 38 pages was also provided to the tribunal.
7. A Statement of Agreed Facts was provided to the tribunal in which the valuers agreed the following valuation matters:
  - (i) The Modern Ground Rent review is to be carried out in accordance with Section 15 of the Leasehold Reform Act 1967.
  - (ii) The valuation date is 13 March 2023.
  - (iii) The "standing house" approach should be used to determine the revised rent.
  - (iv) For the "entirety value" there is no requirement to disregard any improvements carried out by the lessee and we should assume the property to be modernised, in good condition, fully developing the value of the site. We are looking for the value of the most valuable house can be built on the site within the planning constraints at the valuation date.
  - (v) The site value should be taken to be 35% of the entirety value.
  - (vi) The site value should be decapitalised at 5%.

## **The Modern Ground Rent(MGR) issue**

8. The applicant relied on the oral evidence of Mr Carrick who spoke to his report of 4 March 2025. Mr Carrick told the tribunal that he had sought out and relied on a number of sales of comparable properties from which he was able to extrapolate the price per square foot. He then adjusted for the time between the date of sale and the valuation date of 13 March 2023 and using the agreed percentages arrived at a MGR of £23,500.
9. On cross-examination Mr Carrick conceded he had not taken into account the absence of a dropped kerb in the front garden area which was being used by the respondent as a parking space. Therefore, he conceded that a deduction of £5,000 should be made to the 'entirety' price of £1,350,000. This produced an adjusted sales figure of £1,345,000 and a revised price per square feet of £551. This resulted in a MGR of £23,440 per annum.
10. In contrast, Mr Dunsin adopted a 'holistic' approach as he told the tribunal buyers of residential property did not buy on a per square footage basis but rather on the size of the property and the amenities it offered. Therefore, Mr Dunsin stated he had taken an entirety figure of £900,000 as being reflective of the best, most modern property that could be built on the site of the subject property. Mr Dunsin stated that in reaching this figure he had taken into account the lack of a dropped kerb providing lawful permitted access to the front garden parking area. Therefore, after applying the agreed percentages the MGR is £15,750 per annum.
11. On cross-examination, Mr Dunsin accepted he had not used a per square footage approach and did not accept that it was appropriate to do so. Mr Dunsin asserted that even though the subject property was larger than the comparables and on his valuation he accepted the applicant's calculation that it produced a figure of £369 psf which was considerably lower than any of the comparable properties although a larger property. This did not properly reflect the fact that the overall plot that could be taken into account was smaller than the other comparable properties and asserted that the bigger the property the lower the price per square foot.

## **The Notice issue**

12. At the hearing, Mr Reid asserted the letter of 1 November 2022 was a valid notice of the applicant's intention to review the rent as it made clear that:
  - (a) The letter was written on behalf of the landlord.
  - (b) It made reference to a landlord and a lease.
  - (c) It drew attention to the existence of a rent review clause.

- (d) It stated the date from which the review of the rent would take place: 13 March 2023.
  - (e) A request was made for an inspection of the property.
  - (f) The inspection was for the purposes of the Landlord being advised as to reviewing the rent in accordance with the lease's provision for a rent review.
13. Mr Reid also submitted that the letter of 1 November 2022 gave the necessary notice within the last year of the 25 years and before 13 March 2023. He submitted that there was nothing in the 1967 Act that required the review of the rent to have been concluded before the 13 March 2023 or that a particular form of the Notice was required, other than it should be in writing. Mr Reid conceded that if this letter was not a valid notice of the applicant's intention to review the ground rent, then the letter of 31 May 2023 was 'out of time.'
14. Mr Reid told the tribunal that the letter of 31 May 2023 was the logical consequence of the first letter: i.e. having previously given you notice that we will review the rent, we have now done so and this is what we seek to be paid by you as rent from the date permitted in the lease.
15. Mr O'Sullivan for the respondent, told the tribunal that The Lease does not contain a right to review the rent save on notice given in accordance with the requirements of the lease. The requirements of the lease are that notice must be given before the expiry of the 25<sup>th</sup> year as the Lease does not permit later notice nor provide for any other mechanism to review the rent.
16. Mr O'Sullivan submitted that the letter of 1 November 2022 did not amount to a notice required under the 1967 Act as it merely amounted to a request to inspect the property and not notice of a review of the rent. Mr O'Sullivan submitted that the letter of 31 May 2023 amounted to a notice of the applicant's intention to review the rent but this was out of time. As the Lease does not contain a right to review of the rent save on notice and the Lease does not permit later notice nor provide for any other mechanism to review the rent, the applicant's letter of 31 May 2023 was too late to trigger the rent review clause. Therefore, the rent had to remain at the existing level.

### **The tribunal's reasons – the MGR issue**

17. The tribunal preferred the analytical approach of Mr Carrick to the holistic approach adopted by Mr Dunsin which it found lacked credibility, although it found neither of the two reports wholly satisfactory. The tribunal found the majority of the sales relied upon by Mr Carrick were of limited evidential value as they were either too late or too early in time or too big or too small. However, the tribunal did accept that the sales figures for a number of other properties in the vicinity did indicate that an entirety figure in the region of £1.3m would be within the range of what could be achieved as at the valuation date.

18. Therefore, by applying the valuers' agreed percentages, the tribunal determined that the modern ground rent payable by the respondent with effect from 13 March 2023 is £22,750.

### **The tribunal's reasons – the Notice issue**

19. S.15(2) of the 1967 Act states:

*The new tenancy shall provide that as from the original term date the rent payable for the house and premises shall be a rent ascertained or to be ascertained as follows:—*

- (a) the rent shall be a ground rent in the sense that it shall represent the letting value of the site (without including anything for the value of buildings on the site) for the uses to which the house and premises have been put since the commencement of the existing tenancy, other than uses which by the terms of the new tenancy are not permitted or are permitted only with the landlord's consent;*
- (b) the letting value for this purpose shall be in the first instance the letting value at the date from which the rent based on it is to commence, but as from the expiration of twenty-five years from the original term date the letting value at the expiration of those twenty-five years shall be substituted, if the landlord so requires, and a revised rent become payable accordingly;*
- (c) the letting value at either of the times mentioned shall be determined not earlier than twelve months before that time (the reasonable cost of obtaining a valuation for the purpose being borne by the tenant), and there shall be no revision of the rent as provided by paragraph (b) above unless in the last of the twenty-five years there mentioned the landlord gives the tenant written notice claiming a revision.*

20. The Second Schedule of the lease provides:

- 1. In accordance with Section 15 (2) of the Act the rent payable under this Lease as from the date hereof (Subject to review as hereinafter provided) shall be the ground rent as at that date in the sense that it shall represent the letting value of the site of the demised premises (excluding the value of the building on the site) for the present use of the demised premises and all other (if any) the uses to*

*which the same have been put since the commencement of the Scheduled Lease.*

2. *The Trustees shall have the right to require a revision of the rent hereby reserved and payable as from the expiry of the twenty-fifth year of the said term on giving written notice claiming such revision to the Lessee before that date.*
3. *Upon such written notice being given the said rent payable from the date aforesaid shall in accordance with section 15 (2) of the Act be the ground rent as at that date in the sense that it shall represent the letting value of the site of the demised premises (excluding the value of the building on the site) for the then present use of the demised premises and all other (if any) the uses to which the same have been put since the commencement of the Scheduled Lease AND in default of agreement shall be determined by the Lands Tribunal in accordance with section 21 (1) of the Act.*

21. The tribunal finds that the commonsense interpretation of the letter of 1 November 2022 is that it informs the recipient of the landlord's intention to review the rent. The tribunal does not accept that its only purpose was to request an inspection or that the respondent read it that way. The tribunal finds that any recipient of this letter would have taken it to mean the landlord was intending to put the rent up.
22. The tribunal accepts Mr Reid's submission on the validity of this letter as a notice of review and that a specific written form of words is not required by the lease or prescribed by the 1967 or other Act. The tribunal did not accept that it was the letter of 31 May 2023 that provided the requisite notice. The tribunal accepts Mr Reid's submission that this was simply a 'follow up letter' to the notice already given in November 2022, as the letter of 1 May 2023 stated:

*Further to our letter dated 1 November 2022, we have been instructed by your landlord, The Trustees of St Pancras Church Lands Trust, to implement the ground rent review in your lease.*

*Your lease was granted under the provisions of the Leasehold Reform Act 1967, being for 50 years from 13 March 1998, and there is a review of the ground rent under the provisions of s15(2) of the Act with effect from 13 March 2023. We propose that with effect from 13 March 2023, the rent should be £23,500 pa...*

23. In conclusion, the tribunal finds the rent review clause was validly implemented by the applicant and that the modern ground rent payable with effect from 13 March 2023 is £22,750 per annum.

**Name: Judge Tagliavini**

**Date: 17 March 2025**

### **Rights of appeal**

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

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. The application should be made on Form RP PTA available at <https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>

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.

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.

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.

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).