



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

<b>Case Reference</b>	:	<b>LON/00BB/OLR/2015/0021</b>
<b>Property</b>	:	<b>19b Manbey Park Road, Stratford, London E15 1EY (the Property)</b>
<b>Applicant</b>	:	<b>Philip Li Ping King and Eunice Jungmi Ping King</b>
<b>Representative</b>	:	<b>Cavendish Legal Group and Mr T J Henson BSc MRICS of Clarke Hillyer Limited chartered surveyors</b>
<b>Respondent</b>	:	<b>Vincent Farrugia</b>
<b>Representative</b>	:	<b>None (missing landlord)</b>
<b>Type of Application</b>	:	<b>S50 Leasehold Reform, Housing and Urban Development Act 1993 (the Act)</b>
<b>Tribunal Members</b>	:	<b>Tribunal Judge Dutton Miss M Krisko BSc (Est Man) FRICS</b>
<b>Date and venue of Determination</b>	:	<b>25<sup>th</sup> February 2015 at 10 Alfred Place, London WC1E 7LR</b>
<b>Date of Decision</b>	:	<b>25<sup>th</sup> February 2015</b>

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**DECISION**

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**The tribunal determines that the premium payable for the new lease of 19b, Manbey Park Road, Stratford, London E15 1EY shall be £25,187.**

**The terms of the deed of surrender and re-grant are acceptable subject to the comments we make in the Findings section below.**

## **REASONS**

### **BACKGROUND**

1. By an order made by District Judge Lightman dated 1<sup>st</sup> December 2014 in the County Court at Central London in claim number AOOCL810 (“the Order”) between the parties named on the front page of this decision the matter was remitted to this Tribunal for the price and terms of the new lease to be determined pursuant to section 51(3) and (5) of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”).
2. We met on 25<sup>th</sup> February 2015 for the purposes of implementing the requirements of the Order.
3. We had before us a bundle prepared by the Applicant’s solicitors which contained the Court papers, including the Order, a witness statement of Mr King with a number of exhibits, copies of the freehold and leasehold registers of title and the present lease. In addition we were provided with a copy of the report of Mr Timothy John Henson BSc MRICS of Clarke Hillyer Limited dated 16<sup>th</sup> January 2015 and the proposed draft deed of surrender and re-grant.
4. We have considered the papers before us and in particular the report of Mr Henson. After providing some background Mr Henson described the maisonette, the floor area, and tenure. It also confirms the valuation date is 26<sup>th</sup> March 2014, being the date of the application to Court.
5. The report suggests a capitalisation rate of 7%, a deferment rate of 5% and relativity of 87%. The term remaining is 61.93 years.
6. As to comparable evidence he relies on some 4 properties all in and around the area of the maisonette and relatively close to the valuation date. He made what he considered were appropriate adjustments for size, condition and time leading to a long lease value for the Property of £276,500. We noted all that was said. Applying these elements to the assessment of the valuation of the price to paid for the new lease Mr Henson assessed the premium to be paid at £24,970
7. We set out our comments on these submissions in the findings section below

### **FINDINGS.**

9. In essence we are prepared to accept the values put forward by Mr Henson. We have no quibble with the capitalisation and deferment rates. As to relativity, he has relied on graph evidence which supports the percentage argued for in the report. The comparable evidence was

helpful, utilising as it did, properties near to the maisonette, both in location and time.

10. We do however, consider that there have been some errors in the valuation schedule which we need to reflect in the premium payable. They are not major errors. The first is that the arithmetic does not seem to be correct when reaching the figure for the capitalised rent in the third term. Using the figures provided, with which we agree, the total is £135 and not the figure recorded. The second issue is the lack of any capitalised ground rent for the fourth term. This should be  $£75 \times 10.3356 \times 0.0555$ . This gives a rounded up figure of £44. Accordingly, instead of £14,160 the sum for the current freeholder's interest should be £14,260. These amendments and additions have repercussions on the final figure lifting the marriage value to £21,853 and the Freeholder's share to £10,927. This results in the price payable for the lease rising to £25,187.00
11. We approve the terms of the draft deed of surrender and regrant included within the bundle save that
  - (a) the term cannot be right. We consider that the wording in Box LR6 should perhaps be "A term of years expiring on 31<sup>st</sup> December 2166"
  - (b) the date of the original lease in boxes LR11.1 and 12 is wrong. It should be 1<sup>st</sup> March 1977.
  - (c) the definition of "the New Term" contained in the body of the Deed needs amending to reflect the existing unexpired term and the additional 90 years, hence the suggested wording at 11(a) above
  - (d) the premium needs to be inserted in the appropriate clauses.

Andrew Dutton  
Tribunal Judge

25<sup>th</sup> February 2015