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

Case reference : LON/00AY/OLR/2016/1579

Property : Flat 2, 60 Gleneldon Road, London SW16 2BD

Applicant : Robert Francis Corcoran and Fiona Michelle Crump

Representative : Anthony Gold Solicitors and Clive Scrivener MRICS partner of Scrivener Tibbats Limited Chartered Surveyors

Respondent : John Pace (Missing landlord)

Representative :

Type of application : Section 51 of the Leasehold Reform, Housing and Urban Development Act 1993

Tribunal members : Tribunal Judge Dutton
Mrs S F Redmond BSc(Econ) MRICS

Date of determination and venue : 9th January 2017 at 10 Alfred Place, London WC1E 7LR

Date of decision : 9th January 2017

DECISION

Summary of the tribunal's decision

The appropriate premium payable for the new lease is £30,000

Background

1. On 3rd March 2016 the Applicants commenced proceedings in the County Court at Lambeth under claim number COOLB520 pursuant to section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the premium to be paid for the grant of a new lease of Flat 2 60 Gleneldon Road, Streatham, London SW16 2BD (the "Property").
2. By an Order dated 13th September 2016, amongst other matters, the claim was transferred to this Tribunal for the purposes of determining the premium payable and to approve the form of the new lease.
3. In support of the application we were provided with a copy of a report from Clive Scrivener BSc(Hons) MRICS dated 2nd November 2016. However this report was lacking certain details and as a result of further directions a report dated 30th November 2016 was submitted seeking to support the valuation of £30,000, representing the premium payable for the extended lease.
4. We have considered this later report, which contains more details with regard to the comparable properties being put forward to substantiate the long lease value for the Property at £425,000 as well as the relativity applicable for the existing lease having a remaining term of 69.83 years at the valuation date. Mr Scrivener has adopted an uplift of 1% for the freehold value and applied a capitalisation rate of 7% and a deferment rate of 5%.

The tribunal's determination

5. We have considered the comparable evidence put forward comprising some 7 flats having sale dates from January to October 2016, although there does not appear to have been any adjustment for time made in respect of those comparables removed from the valuation date of 3rd March 2016. Mr Scrivener applied a £/sq ft assessment which gave a range of £532 to £703 per square foot. This, applied to the Property, gave a value of £395,000. However, standing back he had concluded that this value was too low and decided that the long lease value should be £425,000. We see no reason to disagree with this valuation. It seems to sit quite comfortably within the range shown by the comparables relied upon, given the smaller size of the flat.
6. The other aspect for which clarification was sought related to the relativity to be applied. Mr Scrivener had relied on five graphs being the

Greater London and England Graphs. These included the Scrivener Tibbatts and Andrew Scott Robertson graphs, for which there was no information and were unknown to us. The other three graphs formed part of the RICS study. On the face of it, utilising the three 'known graphs' a higher rate of relativity could be achieved. However, Mr Scrivener, by adopting as part of the evidence to assess the relativity for a lease with a term remaining of just under 70 years, the two additional unknown graphs and applying the various factors set out at paragraph 13.03 of his report, has concluded that a relativity of 89% would be appropriate. For the purposes of this case alone we are prepared to accept that relativity percentage.

7. The uplift of 1% for the freehold is uncontentious and we are in agreement with the capitalisation rate of 7% and the deferment rate of 5% for the reasons set out in Mr Scrivener's report.
8. Applying these elements to the calculation of the premium and agreeing, as we do, the calculation of the premium as set out on the valuation attached to the report, we determine that the premium payable for the new lease shall be £30,000.
9. The terms of the extended lease, the draft of which was included in the bundle before us is approved (see pages 36 to 43) save that the signature clause should be amended to provide for execution by a District Judge of the County Court as set out at paragraph 3 of the said Order.

Name: Judge Dutton

Date: 9th January 2017

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 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).

CASE REFERENCE LON/00AC/OLR/2014/0106

**First-tier Tribunal
Property Chamber (Residential Property)**

**Valuation under Schedule 13 of the Leasehold Reform Housing and
Urban Development Act 1993**

Premium payable for an extended leasehold Interest in [Property]

Valuation date: [Date]