



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

Case reference	:	LON/00AH/OLR/2017/1515
Property	:	Flat 2, 170 Canterbury Road, Croydon, Surrey CR0 3HE
Applicants	:	Andrew Abadoo Elliot Otto Abadoo
Representative	:	Leasehold Law LLP
Respondent	:	Hazel Dark
Type of application	:	Section 50 of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal members	:	Judge Nicol Mr SF Mason BSc FRICS FCI Arb
Date of decision	:	6th February 2018

DECISION

- 1) The appropriate premium payable for the extension of the Applicants' lease is **£19,140** in accordance with the calculation set out in the Appendix to this decision.
- 2) The lease shall be granted on the draft terms included in the papers before the Tribunal.

Background

1. By an order made on 18th October 2017, District Judge Parker, sitting at the County Court at Croydon, transferred this matter to the Tribunal to determine the terms on which the Applicants should be granted an extended lease under the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act").

2. The subject property is a first and second-floor flat in a three-storey converted terraced house. The Applicants are the lessees. The lease is for a term of 99 years from 25th March 1982 so that there were just under 64 years unexpired as at the valuation date of 2nd May 2017.
3. The Applicants bought their lease on the understanding that the Respondent freeholder was absent and her whereabouts unknown. They have taken a number of steps, some at the instance of the county court, to try to find her but without success. The proceedings were therefore issued in the county court for a vesting order before coming to this Tribunal.
4. The Applicants' solicitors provided a bundle of relevant documents for the Tribunal to determine the relevant issues on the papers. The bundle included a report from Mr Stephen R Jones BA (Hons) MRICS containing his calculation of the premium to be paid. The Tribunal pointed out that Mr Jones had valued the property as at the date of his report, 2nd January 2018, rather than the date when the county court proceedings had been issued. The Applicants' solicitors provided an amended report by letter dated 26th January 2018.
5. The Tribunal has decided that the amended report is accurate and the conclusion that the lease extension price is £19,140 is acceptable. Mr Jones set out his calculations in Appendix Four of his report which is reproduced in the attached Appendix.
6. The Tribunal has reviewed the draft terms provided for the grant of the new lease and is satisfied that they are appropriate.

Name: Judge Nicol

Date: 6th February 2018

Without Prejudice and Subject to Contract

CALCULATION OF THE LEASE EXTENSION PRICE

in accordance with the Leasehold Reform, Housing and Urban Development Act 1993 (as amended)

PROPERTY: Flat 2, 170 Canterbury Road, Croydon, Surrey CR0 3HE



Date of Valuation:	02/05/2017	
Lease Expiry Date:	24/03/2081	
Unexpired Term:	63.89	Years
Share of Freehold Value:	£255,000	(Unimproved)
Extended Lease Value:	£252,450	(99%)
Existing Lease Value:	£225,854	Relativity: 88.57%

1.) Ground Rent Interest:

Current ground rent	£35	p.a.	for	63.89	years	
YP	6.5	%				
Multiplier	15.1094					£529

2.) Reversionary Interest:

Existing						
Share of Freehold Value	£255,000	deferred	63.89	years		
PV	5%	Multiplier	0.0443			£11,292
Proposed						
Share of Freehold Value	£255,000	deferred	153.89	years	Less	
PV	5%	Multiplier	0.0005			£140
						£11,152

3.) 50% Marriage Value:

Proposed Interests						
Extended Lease Value	£252,450					
Ground Rent Interest	£0					
Reversionary Interest	£140					£252,590
Existing Interests						
Existing Lease Value	£225,854					
Ground Rent Interest	£529	Less				
Reversionary Interest	£11,292					£237,674
					Marriage Value:	
					£14,916	
					50%	£7,458

LEASE EXTENSION PRICE:	£19,139
<i>But, say:</i>	£19,140