



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

Case reference : **GM/LON/00AB/OLR/2021/0188
CVP REMOTE**

Property : **141 Gurney Close Barking IG11 8JZ**

Applicant : **George Singh**

Representative : **Mr John Francis FRICS**

Respondent : **Sinclair Gardens Investments
(Kensington) Limited**

Representative : **Mr Geoffrey Holden FRICS**

Type of application : **Section 48 of the Leasehold Reform,
Housing and Urban Development Act
1993**

Tribunal members : **Judge Professor Robert M. Abbey
Marina Krisko FRICS**

**Date of
determination and
venue** : **23 November 2021 by Video hearing**

Date of decision : **24 November 2021**

DECISION

Summary of the tribunal's decision

- (1) The premium payable for the newly extended lease is in the sum of £32,680 as more particularly set out in the valuation prepared by the surveyor for the respondent, Mr Holden.

Background

1. This is an application made by the applicant leaseholder pursuant to section 48 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 newly extended lease of **141 Gurney Close Barking IG11 8JZ** (the “subject property”).
2. By a notice of a claim served pursuant to section 42 of the Act, the applicant exercised the right for the grant of a new lease in respect of the subject property. At the time, the applicant held the existing lease of the subject property. The applicant subsequently proposed to pay a premium of £27,546.50 for the new lease.
3. The respondent freeholder served a counter-notice admitting the validity of the claim and subsequently counter-proposed a premium of £32,680 for the grant of a new lease.

The issues

4. Many aspects of the claim and valuation were agreed by the parties other than the matters listed below.

Matter not agreed

5. The following matters were not agreed:
 - (a) Leasehold relativity
 - (b) Existing lease value and
 - (c) Premium payable

The hearing

6. The hearing in this matter took place on 23rd November 2021. The applicant was represented by their Chartered Surveyor, Mr Francis and the respondent by their Chartered Surveyor, Mr Holden.
7. This has been a remote hearing which has been consented to by the parties. The form of remote hearing was coded as CVPREMOTE - use for a hearing that is held entirely on the Ministry of Justice Cloud Video Hearing platform with all participants joining from outside the court. A face-to-face hearing was not held because it was not possible due to the Covid -19 pandemic restrictions and regulations and because all issues could be determined in a remote hearing. The documents that were referred to are in two bundles of many pages, the contents of which we have recorded and which were accessible by all the parties. Therefore,

the tribunal had before it two electronic/digital trial bundles of documents prepared by the applicant and by the respondent, in accordance with previous directions.

8. Neither party asked the tribunal to inspect the subject property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination. The Tribunal noted that the surveyors for the parties had not visited or inspected the subject property either.
9. The applicant confirmed that the only reason the dispute was before the Tribunal was because the parties could not agree on the basis for the valuation for the consideration to be paid for the newly extended lease. The applicant preferred to use graphs for a table of relativity to enable a valuation while the respondent sought to rely upon market value evidence to support its valuation.

The tribunal's determination

10. The tribunal determines that the premium to be paid will be £32,680 as this has been compiled using market value evidence and that this is to be preferred against table or graphs prepared to enable valuations.

Reasons for the tribunal's determination

11. As will be apparent from the list of items not agreed as set out above there was a significant amount of agreement between the parties. However, the applicant confirmed that Mr Francis had used the Savills unenfranchiseable graph in preparing his valuation and in particular to calculate relativity. On the other side Mr Holden for the respondent put forward market value evidence.
12. Mr Holden produced to the Tribunal three comparable properties being similar flats in the same development i.e., flats 15, 139 and 305 Gurney Close. These each had prices paid from 2020 and all had the same unexpired terms. Therefore, Mr Holden then exhibited the prices of the flats together with adjusted prices at the valuation date for the flat lease extension. Mr Holden stated that he used the UK house price index for Barking and Dagenham for the time adjustment. He then averaged the values giving a figure of £181,999. Then he calculated the real-world relativity and then imported the final figure into his valuation to give the figure of £32,680.
13. Mr Francis objected to the use of these figures as he said neither surveyor had been actually involved in the transactions for the three flat sales and therefore could not know if there were special reasons for the differences in the flat prices that varied from £165,00 through £170,000 up to £200,000. Consequently, Mr Francis did not find the three figures sufficiently reliable to displace his reliance on the Savills graph.

14. The Tribunal were not persuaded by this. The Tribunal took the view that if market values were available then they should be used in the enfranchisement valuation. This was the view express by the Upper Tribunal in several recent cases and it is therefore the view of the Tribunal in this case. The Tribunal could see no reason to ignore these local market figures not to disallow them for some specific factor that might have exaggerated or diminished the three flat prices in any unusual way. The Tribunal noted that when questioned by Mr Francis on the sale prices of his comparables, Mr Holden said that they were all identical, sold on the same terms at more or less the same time, and as far as he was aware they were all proper open market sales.
15. In the light of the above, the Tribunal considered the valuation prepared by the respondent based upon market value evidence and was satisfied that this was reasonable, proportionate and accurate. The Tribunal therefore accepted the figure of £32,680 as the valuation for this particular lease extension.
16. Rights of appeal are set out below.

Name: Judge Professor Robert.
M Abbey

Date: 24 November 2021

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).