



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

Case reference : **LON/00BC/OLR/2018/1404**

Property : **11B Vaughan Gardens Ilford, Essex
IG1 3PA**

Applicants : **Srinivas Gaddey**

Representative : **Foskett Marr Gadsby and Head LLP**

Respondent : **Paul Robert Leadeham**

Representative : **Not applicable (missing landlord)**

Type of application : **Application under sections 50 and
51 of the Leasehold Reform
Housing and Urban Development
Act 1993**

Tribunal members : **Ian B Holdsworth**

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

**Date of paper
determination** : **18th December 2018**

DECISION

Decisions of the Tribunal

- (1) The Tribunal determines that the price to be paid by the applicant for the new lease on statutory terms is £21,185.

The Background

1. This is an application under section 50 and 50(1) of the Leasehold Reform Housing and Urban Development Act 1993 (**“the 1993 Act”**) pursuant to an order made by District Judge Andrew Dodsworth, sitting at the County Court at Romford on 17th July 2018.
2. Sections 50 and 50(1) of the 1993 Act concerns claims for a statutory lease extension where the relevant landlord cannot be found. It enables the court to make a vesting order in respect of any interests of the landlord which are liable to acquisition.
3. Under section 51 of the 1993 Act, the role of the Tribunal is to determine the appropriate sum to be paid into court in respect of the landlord’s interests.
4. The applicant in this matter is Srinivas Gaddey. He is the qualifying tenant of 11b Vaughan Gardens Ilford Essex (**“the Property”**). The respondent freehold owner is Paul Robert Leadeham.
5. On 15th February 2018, the applicant issued a Part 8 Claim at the County Court at Romford for an order pursuant to section 50(1) of the 1993 Act seeking a new lease in the Property. The applicant has been unable to ascertain the whereabouts of the respondent and was therefore unable to serve a notice on him pursuant to section 42 of the 1993 Act.
6. The applicant has provided the tribunal with a valuation report prepared by Mr Peter Gunby MRICS dated 1st October 2018.
7. Mr Gunby is of the view that the premium to be paid for the freehold interest is £15,724.

The Determination

8. The Tribunal accepts the opinions expressed by Mr Gunby in his valuation report dated 1st October 2018 save that:
 - (i) In respect of Flat 11b Vaughan Gardens, having regard to the various comparables provided; to the size and condition of the property; and to the fact that the landlord is absent, the Tribunal determines

that the value of the long lease is £285,800. This is based upon an average value per £/m deduced from the sale transactions 51A Ranelagh Gardens and 294a Cranbrook Road.

(ii) The unenfranchiseable relativity taken from the Savills 2015 graph is 85%. The market evidence presented by Mr Gunby in accordance with the *Mundy* guidance evidences a relativity of 92.2%. The tribunal has taken the 12 Pretoria Road transaction with some 70 years unexpired, adjusted for Act rights and placed this against the notional freehold value of £250,000 offered by the Expert. This produces a relativity of 88.2%. The tribunal has adopted this relativity rather than the higher figure proposed by Mr Gunby. It is more closely aligned to the Savills 2015 data and reflects a lease length comparable to the subject.

9. The adjusted calculation has resulted in premium of £21,185. A copy of the Tribunal's valuation is attached to this decision. This premium is in return for the grant of a new lease on statutory terms.
10. Accordingly, the Tribunal determines that the premium to be paid in respect of the new lease for 11b Vaughan Gardens Ilford Essex is £21,185. These monies to be paid into Court.
11. This matter should now be returned to the County Court sitting at Romford under Claim Number EOORM322 in order for the final procedures to take place.

Ian B Holdsworth Valuer Chairman

18th December 2018

Premium valuation

Property: 11b Vaughan Gardens Ilford Essex IG1 3PA				
Reference: NAT/LON/00BC/OLR/2018/1404				
Lease and Valuation Data				
Lease Term:		01/02/1990		
Lease Expiry date:		31/01/2089		
Unexpired term as at valuation date:		70.96	years	
Date of Valuation		15/02/2018		
Rent receivable by landlord:				
1-33 years	£	75		
34-66 years	£	150		
67-99 years	£	225		
Values				
Extended lease value on statutory terms	£	285,800		
Notional Freehold	£	288,687		
LHVP with current term unexpired	£	254,622	Relativity	88.2%
Capitalisation rate (%)		7.00		
Deferment rate (%)		5.00		
Value of Freeholders present interest				
Terms 1-3				
Current term value			£	2,026
Reversion				
Freehold in vacant possession	£	288,687		
Deferred @ 70.96 years @ 5%		0.03136	£	9,054
Current value of the freeholders interest				£ 11,080
Less				
Freehold value after leasehold extension	£	288,687		
PV of £1 in 160.96 years at 5%		0.00039	£	112
Freeholders interest value				£ 10,967
Marriage value				
Value of flat with long lease on statutory terms	£	285,800		
Landlords proposed interest	£	112	£	285,912
Less				
Value of Leaseholders existing interest	£	254,622		
Value of Freeholders current interest	£	11,080	£	265,701
Marriage value	Total			£ 20,211
Division of Marriage Value equally between				
Freeholder			£	10,105
Leaseholder			£	10,105
Price payable to Freeholder				
Value of freeholders current interest			£	11,080
Plus share of marriage value			£	10,105
			Total	£ 21,185