



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

Case Reference : CAM/26UK/OLR/2017/0223

Property : 195A Bushey Mill Lane, Bushey, Watford,
Hertfordshire WD24 7TG

Applicant : Mrs Lynn Carole Keating

Representative : Mr J Steadman of Counsel instructed by JMW
Solicitors and Mr T J Palmer BSc (Hons)
MRICS of McNeill Lowe and Palmer,
Chartered Surveyors. Also in attendance, Mr
and Mrs Keating

Respondent : Mrs Phillipa Kate Phillips (nee Hodgson)

Representative : Missing Landlord

Type of Application : Application to determine the premium
payable under section 50 of the Leasehold
Reform Housing and Urban Development Act
1993

Tribunal Members : Tribunal Judge Dutton
Mr N Martindale FRICS
Mrs S Redmond BSc (Hons) MRICS

**Date and venue of
Hearing** : Watford Tribunal Hearing Centre, Clarendon
Road, Watford on 7th March 2018

Date of Decision : 21st March 2018

DECISION

DECISION

The Tribunal determines that the premium payable for a lease extension in respect of the property 195A Bushey Mill Lane, Watford, Hertfordshire WD24 7TG (the Property) is £22,600 as set out on the valuation prepared by Mr T J Palmer, Chartered Surveyor.

BACKGROUND

1. On 3rd August 2017 Mrs Lynn Carole Keating, the leaseholder of the Property, made application to the County Court at Watford seeking an extension to the term of her lease under section 50 of the Leasehold Reform Housing and Urban Development Act 1993 (the Act).
2. On 15th November 2017 at the County Court at Watford District Judge Sethi remitted the application to the Tribunal for (a) the determination of the appropriate terms on which a new lease of the flat should be granted to Mrs Keating, (b) the premium in respect of such lease extension and (c) the approval of the new lease and a determination as to who shall execute the said lease.
3. We were provided with a bundle of papers for this matter to be considered at a hearing held at the Tribunal in Watford on 7th March 2018. The bundle included the directions, the valuation report from Mr Palmer dated 5th January 2018 with various attachments, the draft deed of surrender and lease and the court papers with exhibits. The Court order referred to above was also included.

INSPECTION

4. Prior to the hearing we inspected the Property in the company of Mr and Mrs Keating. 195A Bushey Mill Lane is a ground floor, two bedroomed flat. It has the use of the garden to the front but not to the rear and there is a small off-road parking area to the side. The Property comprises a bathroom with bath, wash hand basin and WC and shower over the bath. There are two bedrooms, one single, presently used as a dressing room and the other a double bedroom. The living room is quite large and from that one reaches the kitchen which is quite small having a limited range of units. There is central heating throughout powered by a gas boiler in the kitchen. The flat was in good order at the time of our inspection. We noted that the windows were double glazed, UPVC.

HEARING

5. The hearing took place after the inspection and was attended both by Mr and Mrs Keating, Mr Palmer and Mr Steadman of Counsel. We had read Mr Palmer's report and confined questions to clarification of issues. The first was that the valuation date appeared to be incorrect. On the valuation appended to his report it shows the valuation date of 15th November 2017. This is incorrect. The application was made to the Court on 3rd August 2017 and that is the valuation date for the purposes of this application. Mr Palmer was asked whether this wrong date had any impact. He said that he did not think that four months would make any difference to the premium. There had been no significant uplift to the capital values and the comparables that he relied on were either side of the

correct valuation date. It was put to him that the deferment period would be affected, but he did not think that that would have any impact.

6. On the question of improvements, he told us that he thought those might have a value of around £10,000, although this figure was not included in his report. They appeared to be confined to the installation of windows and the gas central heating.
7. The question of relativity, he told us he had relied on settlement evidence derived from claims he had been directly involved in, usually involving large corporate landlords and that he had agreed the relativity on market evidence. Asked whether he had been able to find any short lease sales, he told us he had not. His relativity sat well with the RICS graphs which showed an average of 85.92%, compared with his finding on relativity of 85.5%
8. He confirmed in answer to questions from the Tribunal that the valuation of £22,600 for the premium was in his view correct.
9. We asked Mr Steadman what arrangements needed to be made for the execution of the new lease. He indicated that the Claimant's solicitor, Mr Stephen Reynolds as associate at the solicitors firm JMW solicitors from Manchester would be prepared to execute the transfer. The alternative would be District Judge Sethi.

THE LAW

10. The law applicable to this matter is to be found at section 50 of the Act. We have taken into account the relevant provisions in reaching our assessment on the value of the premium and also have reviewed Mr Palmer's report.

FINDINGS

11. Although the valuation date is wrong, we are prepared to accept Mr Palmer's view that that would have little or no impact on the premium payable. His use of comparables is helpful and we have noted those. He concluded that the appropriate capitalisation rate was 7% and the deferment rate 5%. We have no quibble with those percentage rates. As to relativity, based on the settlements but also reviewing the RICS graphs, he came to the view that his adopted rate of 85.5% was fair for the subject premises. Accordingly, we are prepared to accept for the purposes of this application that the freehold value of the subject premises would be £237,350, having been uplifted by 1% to reflect the freehold interest. The leaseholder's current unimproved value would be £202,934 and factoring those figures, which have to an extent been rounded up, we are comfortable with the premium payable of £22,600 and we so order that that is the sum that should be paid for the lease extension for the Property.
12. The terms of the new lease are acceptable. It seems to us it matters not whether the deed is signed by Mr Reynolds or by District Judge Sethi. The attestation clause we think should record the fact that orders were made by District Judge Sethi on 15th November 2017 and that our decision should also be referred to given the date appended to same.

Judge: *Andrew Dutton*

A A Dutton

Date: 21st March 2018

ANNEX – RIGHTS OF APPEAL

1. 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 at the Regional Office which has been dealing with the case.
2. 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.
3. If the application is not made within the 28-day time limit, such application must include a request to 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.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie 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.