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

Case Reference : **LON/OOAP/OLR/2017/1531**

Property : **54 Sirdar Road London N22 6RD**

Applicants : **Mr Mark Lancaster**

Representative : **Streathers**

Respondent : **Mr Roger Finn**

Representative : **None**

Type of Application : **Missing landlord
S50 and 51 of the Leasehold
Reform, Housing and Urban
Development Act 1993**

Tribunal Members : **Evelyn Flint DMS FRICS**

**Date and venue of
Hearing** : **5 March 2018
10 Alfred Place, London WC1E 7LR
Determination without an oral
hearing in accordance with the
procedure in regulation 13 of the
Leasehold Valuation Tribunals
(Procedure)
(England) Regulations 2003**

Date of Decision : **5 March 2018**

DECISION

Decision

1. The premium payable is £26,500. The terms of the lease are approved subject to . The case is remitted to the Clerkenwell and Shoreditch County Court to give effect to the Vesting Order (Claim No D00EC824).

Background

2. This case relates to an application made under section 50 of the Leasehold Reform, Housing and Urban Development Act 1993 (as amended) for a determination of the price to be paid for a statutory lease extension of a flat, where the landlord is missing. The application was made in the Clerkenwell and Shoreditch County Court on 18 April 2017. The case was transferred to this Tribunal to determine the price and terms of the lease pursuant to an Order of Deputy District Judge Ellington dated 23 October 2017 under section 50(1) of the Act providing for the surrender of the Claimant's lease and the granting of a new lease as if a valid notice under Section 42 of the Act had been served.
3. The Tribunal issued Directions on 17 November 2017 which were varied on 30 November 2017 added to on 2 February 2018 and considered the matter on 5 March 2018.
4. Nazan Baytar of Prickett and Ellis Surveyors was instructed to prepare a report and valuation relating to the lease extension. She confirmed that her evidence complied with the RICS Code of Practice for Experts and that she recognised that she owed her primary duty to the Tribunal.

Evidence

5. The Tribunal considered the valuation report of Ms Baytar dated 8 February 2018.
6. Sirdar Road is located in an improving residential area close to Turnpike Lane tube station and within close proximity to usual local amenities situated in the High Road.
7. The subject property is a first floor flat in a two storey converted late nineteenth century house of traditional construction with a pitched roof situated in a residential road of similar properties. The flat which comprises three rooms, kitchen, bathroom and separate wc has access to its own section of the rear garden via stairs from a first floor rear balcony. The windows are a mixture of single glazed timber and double glazed upvc. Internally the flat is in average condition with some

modernisation required. Externally the property is in a condition commensurate with its age, type and location.

8. The flat is subject to a lease dated 16 May 1986 for a term of 99 years from 25 March 1986 at £50 pa for the first 33 years, £100 pa for the next 33 years and £200 pa for the remainder of the term; the unexpired term at the valuation date is 67.93 years. The lease demises the upper floor flat including the part of the building above and including the external walls windows window frames and other parts surrounding the flat, the lessee covenants to maintain the premises and insure the flat in the joint names of the freeholder and lessee.
9. Ms Baytar adopted a capitalisation rate of 7% and a deferment rate of 5% based on the Sportelli decision.
10. Ms Baytar relied on sales of flats nearby to arrive at the value of the extended lease. The comparables comprised sales of two bedroom flats in the vicinity, with leases in excess of 100 years. The sale prices were adjusted for time using the Land Registry "flat price indices" for the London Borough of Haringey.
11. The five sales took place between January 2017 and October 2017, four of which were in Sirdar Road. The sales prices were adjusted for time, size, condition and floor. The adjusted sales prices were as follows: No.148 £427,600; No.64 £465,800, No. 82 £451,200 and No. 188 £439,240. Ms Baytar adopted £425,000 for the unimproved extended lease and added 1% to arrive at the freehold value of £429,293.
12. As Ms Baytar had no evidence of short leasehold values the relativity adopted of 91.22% was based on the average of the Greater London graphs in the RICS 2009 publication Leasehold Reform Graphs of Relativity as that was the approach adopted by the Tribunal when dealing with the lease extension on number 56 (the other flat in the building). The existing lease value was assessed at £391,601.
13. Her valuation was appended to the report and produced a premium of £25,130.

Decision

14. **Valuation date.** The valuation date has been correctly identified in the report as the date of the application to the court 18 April 2017.
15. **Valuation of the extended lease.** The best comparables are those located closest to the subject premises, all are within a short distance. The tribunal determines the value at £446,000 based on the average of the adjusted sales prices of the flats in Sirdar Road.
16. **Valuation of existing lease.** The Tribunal accepts the methodology adopted by Ms Baytar since there appeared to be no sales evidence of

other short leases in the vicinity. The Tribunal determines the existing lease value at £410,900.

17. **Capitalisation and Deferment Rate.** The Tribunal accepts both the capitalisation rate of 7% and deferment rate of 5%.
18. **Enfranchisement Price.** The Tribunal determines the premium to be paid at £26,500 in accordance with the valuation attached.
19. **Terms of the lease.** The terms are approved subject to 24 March 2166 at paragraph 4(i) being amended to 24 March 2175.

Evelyn Flint
Chairman

5 March 2018

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 Tribunal 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 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.
4. 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.

54 Sirdar Road london N22 6RD

Valuation date 18 April 2017

Leases 99 years from 25 March 1986 at £75 pa for 33 years,

£50pa for 1.93 years

£100 pa for next 33 years

£200 pa for remainder of term

Capitalisation rate 7%

Deferment rate 5%

Freeholder's interest

Initial ground rent	£	50	
YP 1.93 years at 7%		<u>1.75</u>	£88

Reviewed to	£	100	
YP 33 years at 7%	12.75		
PV 1.93 years at 7%	0.877	11.18175	£1,118

Reviewed to	£	200	
YP 33 years at 7%	12.75		
PV 34.93 years	0.094	1.1985	£ 240

Reversion to capital Value	£	450,500	
PV 67.93 years at 5%		0.036	<u>£ 16,218</u>

Freeholder's proposed interest			£17,663
Reversion to capital Value	£	450,500	
PV 157.93 at 7%		0.000450	£ 203

Marriage Value

Tenant's proposed interest	£	446,000	
landlord's proposed interest		203	£ 446,203
less			
tenant's existing interest	£	410,900	
landlord's existing interest	£	17,663	£ 428,563

Marriage Value		£	17,640
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50% to landlord		£	8,820
Total			£26,483

Premium say £26,500