

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

Date of Decision	:	4 February 2022
Date and venue of Hearing	:	4 February 2022 Remote hearing on the papers
Tribunal Members	:	Evelyn Flint DMS FRICS
Type of Application	:	Missing landlord S50 and 51 of the Leasehold Reform, Housing and Urban Development Act 1993
Representative	:	None
Respondent	:	Thi Tuyey Ngo(1) Thi Hanh Tran (2)
Representative	:	Paul Robinson Solicitors LLP
Applicants	:	David Richard Charman and David Liam Flynn
Property	:	13A Eastwood Road Rayleigh Essex SS6 7JD
Case Reference	:	CAM/22UL/OLR/2021/0153 P:PAPERREMOTE

# DECISION

This has been a remote hearing which has been consented to by the parties. The form of remote hearing was P:PAPERREMOTE. A face-to-face hearing was not held because it was not practicable and all issues could be determined in a remote hearing. The documents that the Tribunal were referred to are in a bundle of 149 pages, the contents of which have been noted. The order made is described below.

## Decision

1. The premium payable is £20,992. The case is remitted to the Southend County Court to give effect to the Vesting Order (GooSS500).

#### 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 Southend County Court on 21 December 2020. The case was transferred to this Tribunal to determine the price by District Judge Humphreys on 30 September 2021. The Initial Notice under Section 42 of the Act had been served on 1 October 2020.
- 3. Mr D Plaskow FRICS of Hair and Son LLP had previously prepared a report and valuation relating to the lease extension. He confirmed that although the report which was dated 25 August 2020, was for the use of his client it had been written as if it was for the purpose of the Tribunal and included a statement confirming that it complied with the Royal Institution of Chartered Surveyors Practice Statement: Surveyors Acting as Expert Witnesses. The report also included a statement that he had complied with his duty to the Court.

#### Evidence

- 4. The Tribunal considered the valuation report of Mr Plaskow which was dated 25 August 2020.
- 5. The property is situated in Eastwood Road close to its junction with the High Street. Eastwood Road is a bus route and all local facilities including shops, railway station, parks and a museum are within easy walking distance.
- 6. The premises are on the first and second floor of a purpose built three storey building comprising shops on the ground floor with residential units above approached via a rear service road. The accommodation comprises a living room, kitchen, three bedrooms and bathroom/wc, It is double glazed and centrally heated. Externally there is a small patio and two tandem parking spaces. Access is via a shared service road and shared external staircase.
- 7. The maisonette is subject to a lease for a term of 99 years from 25 March 1986 at £30 pa throughout the term; the unexpired term at the

valuation date is 64.5 years. The lease is on the usual full repairing and insuring terms.

- 8. Mr Plaskow adopted a capitalisation rate of 7% and a deferment rate of 5% based on the Sportelli decision.
- 9. Mr Plaskow relied on asking prices and/or offers accepted for four comparables nearby to arrive at the value of the extended lease. He stated that he had not been able to find any sales of flats above shops upon which to base his valuation.
- 10. Based on the comparable evidence Mr Plaskow adopted £200,000 as the value of the long lease value of the subject property.
- 11. As there was no evidence of short leasehold values Mr Plaskow derived the value by taking into account Graphs of Relativity which he stated he had relied upon in other cases in which he had been involved. Unfortunately details of the graphs he had relied upon were not provided ion the report.
- 12. His valuation was appended to the report and produced a premium of  $\pounds$ 20,992.

#### Decision

- 13. Valuation date. The valuation date is 1 October 2020, the date of service of the Initial Notice. The unexpired term at the valuation date is 64.5 years. Although the report was written a little over a month prior to the service of the initial notice the Tribunal did not consider that the time difference between the date of the report and the valuation date was sufficient to have a material effect on the valuation. The comparables used are all prior to the valuation date, and the effect of the marginally shorter unexpired term than that adopted in the report has a minimal effect on the valuation; the asking/sale prices support the values adopted.
- 14. **Valuation of the extended lease**. The best comparables are those located closest to the subject premises, all are within a short distance. The tribunal accepts the value proposed of £200,000.
- 15. **Valuation of existing lease**. The tribunal accepts the evidence and valuation of £167,000.
- 16. **Capitalisation and Deferment Rate.** The Tribunal accepts both the capitalisation rate of 7% and deferment rate of 5%.
- 17. Enfranchisement Price. The Tribunal determines the premium to be paid at £20,992.

## **<u>RIGHTS OF APPEAL</u>**

- 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.