2818

FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**CAM/11UC/OLR/2013/0128**
Property	:	**77 St. Peter's Court, High Street, Chalfont St. Peter, Gerrards Cross, Bucks, SL9 9QH**
Applicants	:	**Mr. B.C & Mrs. K.N. Pritchett** **Unrepresented**
Respondent	:	**London & District Investments Limited** **Represented by Bishop & Sewell LLP**
Date of Application	:	**16 October 2013**
Type of Application	:	**Section 48 of the Leasehold Reform Housing and Urban Development Act 1993 ("the 1993 Act")**
Tribunal	:	**Judge J. Oxlade** **H. Bowers BSc. (ECON) MRICS MSc** **D. Barnden MRICS**
Date and venue of Hearing	:	**31st January 2014** **Uxbridge Magistrates Court, Harefield Road, Uxbridge, Middx.,**

Attendees

Mr and Mrs Pritchett as the Applicants
Alexander Ingram-Hill MA MRICS, of Knight Frank for Respondent

Observers:
Jeanne Hanford and Alison Longfield (interested on behalf of Julian Chitty)

DECISION

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For the following reasons, the Tribunal finds that:

(i) the premium payable by the Applicants to the Respondent is £7,650, calculated in accordance with Appendix A, attached; out of which sum £229 is payable by the Respondent to the Head Lessee, Julian Chitty,

(ii) the Applicants shall pay to the Respondent statutory costs of £2,018.40, in accordance with section 60 of the 1993 Act.

REASONS

Background

1. The premises consist of a two bedroom maisonette, situated on the first and second floors of a three storey building, over commercial premises, located in the centre of Chalfont St. Peter.

2. They are let by the freeholder ("the Respondent") to the lessees ("the Applicants"), on a long lease of 120 years, less 10 days, from 1st January 1968. There is an intermediate landlord (Julian Chitty), who is not a party to the application.

3. The Applicants wished to extend the length of lease of the flat, and so pursuant to section 42 of the Act, served a notice dated 12th June 2013 on the Respondent and intermediate landlord. The Respondent served a counter notice, pursuant to section 45 of the Act, admitting the right to acquire a new lease with an additional 90 years, but disputed the premium payable. On account of the year of the lease being wrongly stated in the section 42 notice, the section 45 notice was served with a covering letter, taking the point about validity, and saying that the counter notice was served without prejudice to the issue of validity. No more need be said about this issue, as the parties had not continued to pursue the issue of the invalidity of the notice, and at the hearing the parties confirmed that this was not an issue which either of them wished to pursue.

4. In the absence of agreement as to the premium payable and the terms of acquisition, the Applicants made an application pursuant to section 48 of the Act, and so on 25th October 2013 the Tribunal made directions for the filing of evidence. Those Directions were not complied with by the Respondents, whose expert valuer failed to provide a report on time, and whose Solicitors also failed to provide costs schedules and draft leases on time. In due course, the Respondent dis-instructed these professionals, and secured alterative assistance.

5. By the Applicants' perseverance and the Respondent's new valuer and Solicitor both working to a shortened timetable, the hearing date of 31st

January 2014 was retained. The Applicants filed a bundle, which included a useful opening statement to summarise the application.

<u>The issues</u>

6. By 23rd January 2014 the parties had agreed the following points:

   (i) the date of the valuation: 12th June 2013,
   (ii) the unexpired term at the date of the valuation: 74.5 years,
   (iii) ground rent: £15 p.a. fixed for the term,
   (iv) capitalisation rate: 6.5%,
   (v) capitalised ground rent income stream payable to the Julian Chitty: £229,
   (vi) the terms of the lease.

7. The following issues were identified as being in dispute:

   (i) unimproved long lease value,
   (ii) relativity rate of unexpired term,
   (iii) existing lease value of unexpired term,
   (iv) deferment rate,
   (v) the quantum of Respondent's statutory costs.

<u>Hearing</u>

8. The Tribunal inspected the premises on the morning of the hearing, and found it as described in paragraph 6 of the report of Alexander Ingram-Hill MA MRICS, dated 10th January 2014, which attached photographs at AIH 3 of the report.

9. At the commencement of the hearing the parties clarified the outstanding issues, and their respective positions on the remaining issues. By way of sub-issue, whilst the parties agreed that the installation of gas central heating and radiators was an improvement which would increase the value of the flat, and so would have to be disregarded from value, they did not agree about the value.

10. The Applicants intended to represent themselves, and Mr. Ingram-Hill would make submissions on valuation and could make some submissions on costs.

11. The Tribunal explained to the Applicants the unique position of an expert witness in proceedings, being able to express opinions based on knowledge and expertise, on which reliance could be placed. By contrast, non-experts could assert facts only. In the absence of any claimed expertise, the Applicants could not offer opinion, but could express facts within their knowledge and could make submissions, but the Tribunal could not accept their opinions about the relevant issues.

12. Mr. Ingram-Hill had not seen the bundle until rather late, and there were some documents therein which had taken him by surprise – for example the Applicant's statement at page 98 entitled "support for the calculations used in determining the premium offered by the Applicant", dated 24th January 2014 ("supporting submissions").

13. The Tribunal pointed out that the Applicants would not be viewed as experts, and these would be regarded as submissions. Further, the Respondent's professionals had caused considerable delay by repeatedly failing to comply with directions, and so the timetable had been concertinaed. Whilst this might personally inconvenience Mr. Ingram-Hill, all the information is in the public domain, and there was no obvious prejudice to the Respondents.

Evidence

The Applicants' Case

14. In order to establish their case, the Applicants relied on a letter dated 14th May 2013 from Kayleigh Hillier BSc (Hons) MA MRICS of Kempton Carr Croft, Chartered Surveyors in Maidenhead, which advice was given to them prior to the issue of the application, and attached to which were various calculations. The writer did not attend Court to give oral evidence, and the Tribunal notes that (i) the letter is not in the form of a report, but advice given to the Applicants, (ii) does not comply with the RICS guidelines as to expert witness declarations, (iii) identifies itself as partisan in expressing the advice as to what is in the Applicant's best interests, and (iv) calculates the premium payable on the basis of some of the information supplied by the Applicants (i.e. market value of long lease of £210,000). Accordingly, the letter it is of limited evidential value.

15. The Applicants had provided written submissions, and which addressed the following:

- deduction for tenants improvements,
- deferment rate,
- relativity by reference to transactional evidence and relativity graphs.

16. In respect of the matters in dispute the Applicants advanced the following points, orally and in writing in their supporting submissions:

(i) unimproved long lease value

17. At the hearing the Applicants clarified their position of a long lease value of £207,000, with deductions of £12,000 for improvements, to give an unimproved long lease value of £195,000. Mr. Pritchett had provided the figure of £210,000 to Kempton Carr Croft and was noted in the letter of 14th May 2013. It was acknowledged that this figure had perhaps been naive and a little over generous.

18. In their supporting submissions the Applicants said, that there was a dearth of reliable transactional evidence to establish the long lease value on the valuation date (June 2013), but what there was, suggested that the length of the lease had little bearing on price. By way of example he referred to the sale of a long lease (114 years) of flat 91 on 20th December 2011 for £195,000, which was advertised as 3 bedrooms with a modern kitchen and bathroom. By comparison flat 83 (original lease), a three bedroom flat was sold in July 2012 for £222,500, with the benefit of an additional en suite bathroom to the master bedroom.

19. In his chart of transactional evidence taken from Zoopla (itself taken from the Land Registry) he referred to the sale of flat 127 with a date of transfer registered with the land registry on 16th September 2013; the likely date of an agreement to sell at this price would probably have been around the valuation date. This was a 2 bedroom, 2 bathroom maisonette, said to be in excellent condition, with a lease expiring in 2127 which was sold at £200,000.

20. The sales particulars for 127 St. Peter's Court were produced, having been downloaded from Zoopla. It was described as a two double bedroom flat, on one level (the second floor), with an ensuite and shower room, with doors onto a balcony, and a lease of 114 years.

21. In their supporting submissions the Applicants referred to improvements which enhanced the value of the flat, and which by paragraph 2(c) of Schedule 13 of the 1993 Act, would result in a deduction from the value. Their evidence was that when they bought the flat they installed a new boiler and radiators, in place of electric storage heaters and an immersion heater; this was facilitated by a newly installed gas supply fitted by them. Loft insulation had been installed. Further, uPVC windows and a uPVC front door had been fitted by their predecessors; this they thought had been done as part of the management of the premises, and recovered through service charges. They thought that the value of the premises was enhanced by £4,000. Finally a new modern open-plan kitchen was installed with usual fittings including integrated appliances in place of what would have been free-standing 1960's units. He said that this would consider the value of the premises to have been enhanced by £3,000.

22. At the hearing, the Applicants said that they had calculated the value added by the works on the basis of their expenditure or the estimated expenditure of their predecessor. In respect of the gas and loft insulation, the costs were £5,000. The Applicants said that when they bought the flat the kitchen was small and self-contained, and to open things out they knocked down a wall separating the kitchen from the living/dining room, so to make more use of the space. This was where the breakfast bar now stood. Though there is a fridge in the living room under the stairs to the first floor, this is the tenant's and is overspill; it is not part of the design. The improvements which aid energy efficiency are important to note, because without them, premises will not (in due course) be allowed to be let on the open market.

23. The Applicants questioned where in the calculations of Mr. Ingram-Hill he had allowed for improvements, and added that the Kempton Carr Croft calculations had not taken them into account, as Mr. Pritchett had not specifically mentioned them when providing the background.

(ii) relativity rate of unexpired term

24. In their supporting submissions the Applicants took two approaches to relativity: transactional and graphs, and said that both approaches gave rise to a relativity of 95%.

25. The Applicants provided in tabular form the chart of sales transactions in the premises from 16th January 2009 onwards for both 2 and 3 bedroom flats, most with original length of leases. A schedule of 7 graphs was provided, which at 75 years remaining provided a range from 93.5% to 96.62%, and a mean of 95.07%.

26. The Applicants said that the inclusion by Mr. Ingram-Hill of the Knight Frank relativity graph and JD Wood which was Prime Central London (PCL) skewed the statistics, and should be disregarded.

(iii) deferment rate

27. In their supporting submissions the Applicants acknowledged the rate of 5% set in Sportelli but said a deviation from it of 0.25% was justified in view of the following:

    (a) obsolescence, for which there was a higher risk in buildings of 1960's poured concrete construction; in view of the constant injection of funds needed for such buildings which had problems such as downpipes discharging onto walkways and mould caused by condensation arising from poor insulation,

    (b) the risk that growth in PCL will outstrip Chalfont St. Peter, particularly as being located shops over may become a disadvantage as shopping needs change, and as the village is likely to be affected by HS2 and the lorries trundling through the village for years to come.

(iv) existing lease value of unexpired term,

28. No points were raised separately under this head. Reliance was placed on the calculations of Kempton Carr Croft.

(v) the quantum of Respondent's statutory costs.

29. In their supporting submissions, the Applicants considered the detailed costs schedule and made the following essential points:

    - costs of £2,918 were disproportionately high for a case of this value,

- £240 per hour is an excessive hourly rate for Manchester Solicitors,
- the Respondent changed Solicitors, and there is an element of double charging; in respect of any costs incurred arising from a change of Solicitor, which should be borne by the Respondent,
- the absence of a sensible figure in the counter-notice implied that no valuation was undertaken by the Respondent's valuer, so £600 for Goodman Mann Broomhall's valuation should be discounted,
- the anticipated further costs of £240 for communicating with a client seem excessive.

30. At the hearing the Applicants added the following points:

    - the conduct of the Respondent's former representatives made the case more long-winded and complicated, and a handover would inevitably give rise to a duplication; there were several references on the schedule of costs to "reviewing lease" and "liaising with clients", and it was suspected that there were other duplicated costs,
    - it was said that the Respondent was not familiar with the nature of the application and so needed a lot of advice, which did not sit easily with this being a limited company with a portfolio,
    - the issue of instructing a valuer to provide a valuation, coupled with the statement that "there is no obligation to insert a reasonable figure in the counter-notice", makes it a wasteful exercise, and not something which the Respondent would do if paying for it themselves, which is the statutory test,
    - there were multiple examples of shoddy work in the draft leases, which the Applicants have twice corrected, and had to point out that the 120 year lease could not run from the date of the original lease, as neither were party to the lease at the time.

The Respondent's Case

31. The Respondent's case is set out in the report of Mr. Ingram-Hill, his oral evidence, and the statement on costs, and replies made by the Respondent's Solicitor.

(i) unimproved long lease value

32. Mr. Ingram-Hill relied on his report, which at paragraph 10 also referred to the dearth of transactional evidence for flats of long leases, most being short leases. Accordingly, these needed to adjusted to a "freehold" value.

33. Mr. Ingram-Hill considered the best evidence to be the sale of the subject property in 2008 of £212,500, which he assumed to be in a reasonable condition, and then adjust this to reflect a change in the market from 2008 to the valuation date of June 2013, by making use of tables showing changes in Buckinghamshire prices between those times. This would adjust down the figure to £205,000 at the valuation

date. To get a long lease value he then further adjusted this by applying a relativity of 92.5%, using the Knight Frank and Savills graphs, and then further adjusting it to a freehold value of 1%, providing £220,000.

34. In oral evidence, the figure of 92.5% for relativity was replaced with 96%, as Mr. Ingram-Hill appreciated that his application of 92.5% was on the erroneous assumption on the length of the lease being 74 years at all times.

35. Mr. Ingram-Hill appreciated that it was difficult to compare the 2008 to 2013 values, as works had been done to the premises in between those times, and the circumstances surrounding the two sales transactions could influence price.

36. Mr. Ingram-Hill also relied on the sale of 127 St Peter's Court. Though the sale took place in September 2013 at £200,000 he understood that there was an agreement for an extended term of 40 years, which was less satisfactory than an a 90-year statutory extension. The seller had wanted to sell quickly, having bought is less than a year before, and discovering that he could not do with it what he had wished. He accepted that the agreement to sell would have been likely to have taken place at approximately the same time as the valuation date, and opined that there may have been good reasons for a depressed price. This was therefore a difficult sale to analyse.

37. He also referred to the sale of 83, which took place in July 2012 at £222,500. This is a three bedroom flat. He regarded this as most relevant as it was a duplex flat (like the subject flat) which are the most popular.

38. The Tribunal asked Mr. Ingram-Hill about flat 91: this was a lease of 125 years from 16/6/2000 (and so a long lease), sold in December 2011 for £195,000 and which was a three bedroom flat; this would imply that the sale of flat 83 was out of kilter with the market. He did not have to hand the length of the lease.

39. As to the value of improvements that would be discounted from the long leasehold value, Mr. Ingram-Hill said that the only work done which amounted to an improvement within the statutory definition was the installation of the gas supply, and central heating. The cost-basis relied on by the Applicant was not the right approach, but the value added as a result of the works. He assessed this as £2,000, though he did not take the Tribunal to the calculations to show that this improvement had been reflected in the figure.

40. The insulation installed was outside the demise of the premises, and any improvement needed to be subject to a licence by the freeholder, in the absence of which the lessee could not establish that an improvement had take place. He did not consider that the other works were improvements, as distinct from ordinary maintenance and replacement of exiting items. The opening out of the kitchen into the

dining/living room was a matter of taste, and the fridge being in the living room did not suggest it was a complete success.

(ii) relativity rate of unexpired term

41. Mr. Ingram-Hill said that there was an issue with the reliance that could be placed on transactional data, as transactions took place in full knowledge of a right to extend, and so he relied on graphs. He sought to rely on those most relevant to the area, though he was not aware of any good reason why relativity should be different in PCL to elsewhere in the country. However, he then said that he discounted those from separate regions i.e. the SE leasehold, Austin Gray and Andre Pridell. He had sought to filter applicability by those which are London-based.

42. The RICS graph was open to a big question of interpretation, as there is a questionable dependence on settlement evidence, which leads to a charge of bias. He had personal knowledge of the construction of both the John D. Wood as pure LVT decisions taken as aggregates. Knight Frank's graph is evidence taken from outside PCL. In answer to Mr. Pritchett's questions, Mr. Ingram-Hill said that Knight Frank is 50/50 PCL to outside PCL. He did not consider the high rate of PCL distorted the applicability, and returned to his position, which is that logically there was no reason to consider PCL rates should be different from outside PCL. The increase in foreign money would not affect the pre 1992 statistics.

(iii) deferment rate

43. As to deferment, there were no good reasons to depart from Sportelli. Mr. Ingram-Hill said that there was a vast difference between routine maintenance needed to keep buildings functioning, and the obsolescence considered in the case of Zuckerman, which costs were so onerous that it would not be worthwhile to meet them. Though some of this building had cracking concrete steps, and the walkways and covers of amenity spaces needed replacement, this was far from the obsolescence envisaged in Zuckerman These buildings are of brick construction and tiled roof, and will not require the extensive investment of a concrete constructed building. The issues in a building have to be exceptional to be taken into account, and which the market place would not otherwise reflect in lower asking prices.

(iv) existing lease value of unexpired term,

44. No points were raised separately under this head.

(v) the quantum of Respondent's statutory costs.

45. The Respondent's Solicitors set out in two documents the Respondent's claim for statutory costs incurred by the two Solicitors of £2,918 including vat and a disbursement of £600 for a valuation fee, the basis of the claim, and a response to the Applicants' submissions on it. The

Respondent's Solicitors disputed that the costs were unusually high in such a case, but reflect the time spent on the matter and likely to be spent completing the matter. The desktop valuation took place by Goodman Mann Broomhall, ad was reasonable for such a valuation; that a sum of £14,000 was inserted into the counter-notice was not any pointer to whether or not the Respondent sought such advice.

46. Mr. Ingram-Hill made the point that drafting mistakes often occur, and there is nothing to suggest costs increased as a result. The value to the Respondent in obtaining valuation advice is not undermined by the premium inserted in the counter-notice.

47. At the end of the hearing the Tribunal reserved its determination.

Relevant Law

48. The relevant law is set out in Appendix B

Findings

49. The Tribunal has carefully considered the expert evidence of Mr. Ingram-Hill, the factual evidence advanced by both parities and the submissions made on behalf of both parties on costs.

(i) unimproved long lease value

50. The valuation of the long lease value of these premises at the valuation date is not straightforward, because of the dearth of transactional evidence on the sale of long leases in this development. Neither party referred the Tribunal to evidence of comparable developments, which would assist.

51. The Respondent's expert relied on a sale of the subject premises in 2008 and then used data for the whole of Buckinghamshire to bring that sale up to the valuation date, then used relativity to establish the long lease value. There are a number of difficulties with that approach: the starting point is placing undue reliance on one transaction, which was sold at auction in a very poor state, then applying an indexation for the whole of Buckinghamshire which is not necessarily an accurate reflection of Chalfont St. Peter, and then applying relativity as a figure; only then to use the same figure when it comes to establishing the short lease value.

52. The Tribunal prefers to use the transactional evidence available, considering it a less complicated approach, with fewer risks of distortion.

53. There were two particularly useful sales: a sale of flat 91, a 3-bedroom flat, at £195,000 with an unexpired term of 114 years, on 20th December 2011; a sale of flat 127, an improved two bedroom and two

bathroom flat, on 16th September 2013, with an unexpired term of 114 years, at £200,000. All parties agree that the sale of flat 127 was likely to have been agreed on or around the valuation date. It is noteworthy that the particulars do show it to be in good condition and has a second en-suite bathroom. The Tribunal does not accept the opinion offered by Mr. Ingram-Hill that the agreed lease extension of 40 years would be any less effective than a statutory 90 years which service of a notice would lead to; it remains an effective comparable.

54. Further, the other data in the chart produced by the Applicant (page 100) appears to show that from 2009 to 2013, the general trend in sales of the flats on short leases was neither to rise or fall dramatically; there are only two transactions which do not follow the trend – the sale at auction of the subject flat in 2011 when it was in a poor condition, and the sale of flat 83, 3-bedroom, 2 bathroom flat for £222, 500 in July 2012.

55. Collectively, there is sufficient market evidence to leads the Tribunal to find that the improved long lease value of the subject flat is £200,000 as at the valuation date. The Tribunal finds that the value to the premises added by the installation of a gas supply, and gas central heating is an improvement, and would add value of £2,500. The other works done, whilst costly, would not amount to an improvement, rather than a replacement of the existing.

56. Accordingly, the Tribunal finds the unimproved long lease value to be £197,500 at the date of the valuation.

(ii) relativity rate of unexpired term

57. The Tribunal does not consider that it can make use of the transactional evidence to arrive at a reliable relativity figure; the reality is that such transactions take place against a backdrop of statutory protection, which is likely to influence negotiations.

58. The Tribunal were encouraged in Arrowdell to place reliance on Graphs, and subsequent to the request for a graph to assist, in 2010 the RICS produced a report including graphs to guide the Tribunal and the parties.

59. The Tribunal concluded that the location of the subject property was not Prime Central London, though in a part of the South East that is significantly affected by the London property market. Accordingly it was decided that an average of the graphs in the RICS report was appropriate, giving rise to a relativity figure of 95%.

(iii) deferment rate

60. The Tribunal's starting point is the figure provided in Sportelli for flats - 5% - and to deviate from that only where there is evidence to support a departure.

61. Whilst the Applicants' offered views on this point, as explained above, they did not claim to have expertise, and they offered no statistical analysis to support the argument that there would be lower growth rates than PCL.

62. The arguments as to obsolescence, were largely met by Mr. Ingram-Hill, and the Tribunal accepts that there is a distinction between routine maintenance, the latter of which this building will require. The Tribunal otherwise rejects these arguments. Accordingly a deferment rate of 5% would be appropriate in this case.

Premium payable

63. The Tribunal finds as payable the sum of £7,650 of which the Respondent will pay the intermediate landlord the sum of £229. The calculations are provided at appendix A.

Costs

64. The Tribunal accepts some of the submissions made by the Applicant, as apposite, and brings to bear its expert skill and judgement in assessing costs.

65. As a global figure, costs of £2,918 are very much higher than a case of such simplicity would ordinarily be expected to have incurred. The Tribunal bears in mind that there is likely to be double work done, having passed from one firm of Solicitors to another; indeed this is reflected in both Solicitors claiming for "reviewing the lease", and so Tribunal reduces to £200 Hill Dickinson's review of title, notice and leases. The Tribunal notes that more time has been taken by Hill Dickinson in liaising with the valuer (24 minutes), and drafting and serving counter notice (48 minutes) than would appear to be justified, and so the Tribunal halves these costs to £50 and £100.

66. Further, despite a direct challenge having been made by the Applicants as to whether or not the valuer carried out a desktop valuation, as claimed so justifying a disbursement of £600, no invoice has been produced as evidence of the works having been done. In light of the direct challenge and the absence of evidence in support, the Tribunal considers that the cost is not recoverable as a statutory cost.

67. Accordingly, the Tribunal finds that the Applicants shall pay statutory costs to the Respondent of £2,018.40, calculated as follows:

Claimed costs of	£1932
Less deductions of	£ 250
	£ 1682

PLUS Vat	£ 336.40
Total	**£2018.40**.

....

Judge J. Oxlade

18th February 2014

Appendix A

77 St Peter's Court

Calculations

Valuation assumptions

Lease expiry date	21/12/2087
Valuation date	12/06/2013
Unexpired term	74.5
Capitalisation rate	6.5%
Deferment rate	5.0%
Freehold value	£ 199, 475
Extended lease value	£ 197,500
Existing lease value	£ 187,625
Relativity	95.0%

Value of Landlord's existing interest

Loss of ground rent				£ 15	
Years Purchase	74.5	years @	6.5%	15.243511	£ 229
Loss of reversion to	Freehold value			£ 199,475	
Present Value of £1	74.5	years	5.0%	0.0263874	£ 5,264
					£ 5,492
Sub-total					

Value of landlord's proposed interest

New reversion	£ 199,475

Present value of £1 in	164.5	5.0%	0.0003269		
				£ 65	

Marriage value calculation

Value of Landlord's proposed interest	£ 65	
Value of Tenant's proposed interest	£ 197,500	
Sub-total		£ 197,565
value of landlords existing interest	£ 5,492	
Value of tenants existing lease	£ 187,625	
		£ 193,117
Marriage gain		£ 4,448
Landlords 50% share		£ 2,224
Loss to landlord in granting new lease		£ 5,427
Premium payable		**£ 7,651**
Say		£7,650

Appendix B

Section 91(2) of the Act provides the Leasehold Valuation Tribunal ("LVT") with jurisdiction to set the premium payable, and schedule 13 part II provides that:

A. the premium payable shall be the aggregate of:

(a) the diminution in value of the landlord's interest
(b) the landlord's share of the marriage value
(c) any compensation payable under paragraph 5.

B. the LVT shall disregard any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or a predecessor in title.

Section 57 of the 1993 Act provides that the new lease will be granted on the same terms as the existing lease, but with modifications which may be appropriate to make in 3 limited circumstances set out in s57(1) to (5) of the Act.

Section 60 of the 1993 Act provides that the tenant will be liable for the reasonable costs of and incidental to an investigation into the tenant's right to a new lease, a valuation of the tenant's flat obtained for the purpose of fixing the premium or any other amount payable, and the grant of a new lease. This is limited to recovery of sums actually incurred, and to that which would have been incurred had the Landlord incurred it with a view to his being personally liable to discharge it.