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

Case Reference : **CHI23UE/OLR/2013/0192**

Property : **Flat 2, 6 Priory Place, Gloucester, GL1
1TT**

Applicant : **Sabina Yakub**

Representative :

Respondent : **Absent Freeholder**

Representative : **Absent**

Type of Application : **Determination of the price payable by
the Applicant for the grant of a new
lease pursuant to Section 50(1) of the
Leasehold Reform, Housing and
Urban Development, Act 1993**

Tribunal Members : **Judge A D McC Gregg (Chairman)
Mr M J Ayres FRICS (Valuer Member)**

Date of Inspection : **6 December 2013**

**Date and venue of
Hearing** : **There was no Hearing**

Date of Decision : **10 January 2014**

DECISION

1. Decision

The Tribunal decided for the reasons set out below that the price payable by the Applicant for a new lease in this matter (and the amount therefore to be paid into court) is £9,776.

2. Background

- 2.1 The Applicant, Sabina Yakub has applied for the grant of a new lease to this property in circumstances where the identity and whereabouts of the landlord are unknown.
- 2.2 The Applicant holds the property by virtue of a lease ("The Lease") dated the 28th day of March 1991 and made between (1) Robert Edward Bowden and Mandy Jane Gill and (2) Angela Reeder whereby the property demised ("The Property") which comprises part of the building known as Flat 2, 6 Priory Place, Gloucester, GL1 1TT, was demised to John Richard Maynard, Sabena Yakub and Rebecca Jayne Willcox ("The Intermediate Lessors") for a term commencing on the 1st day of March 1991 and ending on the 23rd day of March 2056 at an annual ground rent of 5 pence.
- 2.3 The Applicant is the proprietor of the existing lease which is registered under Land Registry Title No GR137810.
- 2.4 The term expiry date of the existing lease is the 23rd day of March 2056.
- 2.5 The building and the land situated at 6 Priory Place aforesaid together with other land and buildings are the subject of a lease dated the 25th day of March 1556 and made between (1) Thomas Payne and (2) Thomas Pyrre and Johan Pyrre ("The Head Lease") for a term of 500 years at an initial annual rent of 30 shillings together with additional rent.
- 2.6 The Intermediate Lessors are the proprietors of the head leasehold interest in the building and land situate at 6 Priory Place aforesaid which are registered at the Land Registry under Title No GR40649.
- 2.7 The Applicant Lessee in exercise of the rights conferred upon her by Chapter II of the Leasehold Reform Housing and Urban Development Act 1993 (as amended) ("The Act") has required the Lessors to grant her a new lease for the property of an extended term under the Act and in substitution for the term granted under the existing lease.
- 2.8 The Tribunal were provided with a copy of the said sub-lease relating to Flat 2, 6 Priory Place, Gloucester, GL1 1TT.
- 2.9 By an order of the Gloucester County Court dated the 18th of July 2013 ("The Court Order") it was ordered that the property be vested in the

Applicant as nominee purchaser upon such terms and as such price as might be determined by the Residential Property Tribunal Service (formerly the Leasehold Valuation Tribunal) and the form of transfer or conveyance to be approved by the Tribunal.

- 2.10 The Applicant was represented by Mr M R Naylor FRICS of the firm Mike Naylor Chartered Surveyors of Cleeve Cottage, Mill End, Eastington, Stone House, Gloucestershire, GL10 3SF. His value of the enfranchisement price is dated the 30th day of October 2013 and is based on a valuation date ("The Valuation Date") of the 30th October 2013 of £6,950 (six thousand, nine hundred and fifty pounds).

3. Inspection

- 3.1 The Tribunal inspected the property in the presence of Mr Ginwalla and found it to be a first floor flat in a three storey mid-terraced Victorian property in the centre of Gloucester. The property has no demised parking. The accommodation comprised a shared entrance hall and stairway with stairs leading to a landing. The entrance to the flat was off that landing and led into a lounge with stairs leading off down to a kitchen. Also off the landing were a bedroom and a bathroom/WC. The bedroom and living room/kitchen were equipped with electric radiators. There is no central heating.

- 3.2 The property itself is of brick construction with rendered front elevation in Regency style beneath a tiled roof originally dating from approximately 1850. It is connected to all main services (no gas) and approached at the front from a paved area.

4. The Hearing – There was no hearing and the Tribunal's decision was based on written representations including supplemental information provided to the Tribunal from Mr Naylor

5. Considerations leading to the Decision

- 5.1 The first issue for the Tribunal to consider was the open market value of the flat in question and using its own knowledge and experience (though taking into account the comparables provided by Mr Naylor the Tribunal considered that the first floor flat (Flat 2) of 6 Priory Place, Gloucester had a value of £55,000 (Fifty Five Thousand Pounds).
- 5.2 On the issue of relativity there remains 42 years under the existing lease and the Tribunal agreed with the evidence put forward by Mr Naylor that there was no market evidence of properties with similar leases and therefore agreed with his adoption of a 75% relativity rate.
- 5.3 As far as the capitalisation of the nominal ground rent was concerned the Tribunal did not accept a percentage figure of 7%. The Tribunal carefully considered Mr Naylor's evidence but were mindful of the Lands Tribunal's view in Sportelli that there would need to be

compelling evidence relating to a particular property for any deviation from 5%. However bearing in mind its age and obsolescence and management costs the Tribunal feel that the correct figure is 5.5%

5.4 The Tribunal's valuation therefore is:-

Value of Landlords present interest:

Term

Ground Rent nominal say £0

Reversion

Long leasehold flat value £55,000

PV £1 42 yrs @5.5% 0.1055

£5,802

Less

Value when lease granted £55,000

PV £1 132 yrs @5.5% 0.0007

£38

£5,840

Marriage Value

Value of Tenants interest £55,000

Value of landlords interest after new lease £38

£55,038

Less

Tenants existing lease (75% £55,000) £41,250

Landlords existing lease £5,840

£47,090

Marriage Value

£7,948

Landlords share 50%

£3,974

Compensation payable to landlord

£9,814

5.5 The Tribunal therefore decided that the price to be paid by the Applicant for a new lease expiring on the 22nd day of March 2146 will be £9,814 (nine thousand eight hundred and fourteen pounds) and in so doing approved the draft lease submitted with the application.

APPEALS

1. A person wishing to appeal against this decision must seek permission to do so by making written application to the First-Tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit. The Tribunal will then decide whether to extend the time or not to admit the application for permission to appeal.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result which the person is seeking.

Dated: 10th January 2014

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Judge A D McC Gregg
Tribunal Chairman