

46020



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

Case Reference : **LON/00AG/OLR/2018/0205**

Property : **83D Goldhurst Terrace, London
NW6 9HA**

Applicant : **Aquilifer Limited**

Representative : **Ingram Winter Green, Solicitors**

Respondent : **Hazelbright Properties Limited**

Representative : **None**

Type of Application : **S51 Leasehold Reform, Housing
and Urban Development Act 1993 –
determination of the appropriate
sum and settlement of terms of the
new lease**

Tribunal Member : **Judge John Hewitt
Mr Luis Jarero BSc FRICS**

**Date and venue of
Determination** : **20 March 2018
10 Alfred Place, London WC1E 7LR**

Date of Decision : **20 March 2018**

DECISION

Decisions of the tribunal

1. The tribunal determines that:
 - 1.1 The appropriate sum for the purposes of s51 of the Act is £11,537.00, calculated in accordance with the valuation appended to this decision; and
 - 1.2 The new lease shall be in the form of the draft appended to this decision.
2. The reasons for our decisions are set out below.

NB Later reference in this Decision to a number in square brackets ([]) is a reference to the page number of the hearing file provided to us for use at the hearing.

Procedural background

3. On 16 May 1984, the respondent was registered at HM Land Registry as the proprietor of the freehold land known as 83-85 Goldhurst Terrace, London NW6 3HA registered with title number NGL461992 [101].
4. The Charges Register records that the title is subject to a number of long leases. One of them is the lease of 83D Goldhurst Terrace which is registered with title number NGL595734. That lease is dated 9 June 1986 and granted a term of 120 years from 25 March 1986.
5. On 25 September 2003, the applicant was registered at HM Land Registry as the proprietor of the lease of 83D Goldhurst Terrace [109].
6. On 2 June 2017, the applicant made an application to the County Court at Central London in which it sought a vesting order pursuant to s50(1) of the Act. Evidently whilst the respondent, as a company is not missing, what are missing are shareholders and directors who have stewardship of the affairs of the respondent company.
7. By an order made 21 December 2017 (and drawn 26 January 2018) [98] District Judge Langley made a vesting order and by paragraphs 4 and 5 ordered that a determination be made by this tribunal of the appropriate sum and of any other sums due to the respondent and that it determine the terms of the new lease to be granted.
8. Pursuant to directions we have been provided with a hearing file by the applicant's solicitors.

The appropriate sum

9. Section 51(5) of the Act sets out provisions to for the determination of the appropriate sum.
10. At [147] there is a valuation report prepared by Mr Justin Bennett BSc (Hons) FRICS ACI Arb dated 26 February 2018.

We are satisfied on the evidence provided that Mr Bennett is suitably qualified to make the report and that he understands his professional duty to the tribunal.

We have gone through the report carefully. We are satisfied that Mr Bennett has identified the key issues he is to address and that he has gone through a methodical approach to arrive at his valuation, applying appropriate professional standards. Whilst we would not necessarily adopt some aspects of Mr Bennett's analysis, we find that taken over all his report falls within an acceptable valuation tolerance. Accordingly, we accept Mr Bennet's evidence and determine the appropriate sum to be £11,537 made up as shown on his valuation at [199].

12. In the absence of any valid demands for payment of ground rent or any other sums payable under the terms of the lease we are satisfied that there are no arrears or other sums payable on completion.

The terms of the new lease

13. At [140] there is a draft of the new lease sought by the applicant. We have gone through the draft carefully and are satisfied it is in an acceptable form. We determine that the new lease to be granted shall be granted in the form of that draft. For ease of reference a copy of that approved draft is attached to this decision.

Judge John Hewitt
20 March 2018

Appendix 4 - Lease Extension Valuation

Valuation variables:

Valuation date:			02/06/2017	Unexpired term
Lease expiry:	120 years from	25/03/1986	24/03/2106	88.80
Ground rent (Fixed)	Rent £100 rising to £300		£100 increase each 40 years	
Yield		6.5%		
Deferment rate		5.00%		

	Unexpired term (years)	Relativity	
Existing lease	88.80	93.0%	
Extended Lease	178.80	99%	
Floor area	sqft - improved	636	
Freehold value improved	999.00	£	698,750
Freehold value of improvements	999.00	£	-
Freehold value unimproved	999.00	£	698,750
Existing lease	88.80	£	650,000
Freehold rate improved	£/psf	£	1,099
Premium		£	11,500

Step 1

Diminution in Value of the Freeholder's Interest

1.01 Value of Freeholder's Interest before Extension:

Present Ground Rent Income			£100		
YP	8.80 years @	6.50%	6.548216494	£	655
Future Ground Rent Income			£200		
YP	40.00 years @	6.50%	14.14552687		
PV £1	8.80 years @	6.50%	0.574365928	£	1,625
Future Ground Rent Income			£300		
YP	40.00 years @	6.50%	14.14552687		
PV £1	48.80 years @	6.50%	0.046259865	£	196
Reversion: freehold value of flat before discount for improvements			£	698,750	
less Value of any tenant's improvements			£	-	
Unimproved freehold value of flat				£	698,750
PV £1	88.80 years @	5.00%	0.013130638	£	9,175
less					£ 11,651

1.02 Value of Freeholder's Interest after Extension:

Reversion: freehold value of flat before discount for improvements			£	698,750	
less Value of any tenant's improvements			£	-	
Unimproved freehold value of flat				£	698,750
PV £1	178.80 years @	5.00%	0.000162648	£	114
Diminution in Value of the Freeholder's Interest					£ 11,537

Step 2

2.01 Freeholder's Share of Marriage Value

N/A >80 years

Step 3

3.01 Premium payable to Freeholder for grant of lease extension

£ 11,537

DATED

2018

(1) Hazelbright Properties Limited

- and -

(2) Aquilifer Limited

LEASE
of Third Floor Flat 83D Goldhurst Terrace,
London NW6 3HA

IWVG

Ingram Winter Green

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T 020 7845 7400 F 020 7345 7401 Dx1055 CHANCERY LANE WWW.IWVG.CO.UK

LR1. Date of lease

2018

LR2. Title numbers

LR2.1 Landlord's title number(s)

NGL461992

LR2.2 Other title numbers

NGL595734

LR3. Parties to this lease

Landlord

Hazelbright Properties Limited (Company Regn. No. 01800795) whose registered office is at Hathaway House, Popes Drive, Finchley, London N3 1QF

Tenant

Aquilifer Limited (Company Regn. No. 03665416) whose registered office is at 35 Ballards Lane, London NW3 1XW

Other parties

None

LR4. Property

Third Floor Flat 83D Goldhurst Terrace, London NW6 3HA as described in the Existing Lease

In the case of a conflict between this clause and the remainder of this lease then, for the purposes of registration, this clause shall prevail.

LR5. Prescribed statements etc.

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 80 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003:

See Clause 3

LR5.2 This lease is made under, or by reference to, provisions of:

See Clause 3

LR6. Term for which the Property is leased

The New Term as defined in this lease at paragraph 3 of the Definitions & Interpretations

LR7. Premium

The Price as defined in this lease at paragraph 6 of the Definitions & Interpretations

LR8. Prohibitions or restrictions on disposing of this lease

This lease does not contain a provision that prohibits or restricts dispositions.

LR9. Rights of acquisition etc.

LR9.1 Tenant's contractual rights to renew this lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None

LR9.2 Tenant's covenant to (or offer to) surrender this lease

None

LR9.3 Landlord's contractual rights to acquire this lease

See clause 4

LR10. Restrictive covenants given in this lease by the Landlord in respect of land other than the Property

None

LR11. Easements

LR11.1 Easements granted by this lease for the benefit of the Property

See Clause 1 of this lease

LR11.2 Easements granted or reserved by this lease over the Property for the benefit of other property

See Clause 1 of this lease

LR12. Estate rentcharge burdening the Property

None

LR13. Application for standard form of restriction

None

LR14. Declaration of trust where there is more than one person comprising the Tenant

None

This Lease is made the day of 2018

BETWEEN:-

- (1) **Hazelbright Properties Limited** (Company Regn. No. 01800795) whose registered office is at Hathaway House, Popes Drive, Finchley, London N3 1QF ("**the Landlord**")
- (2) **Aquilifer Limited** (Company Regn. No. 03665416) whose registered office is at 35 Ballards Lane, London NW3 1XW ("**the Tenant**")

DEFINITIONS AND INTERPRETATIONS

1. "**the Existing Lease**" means a lease dated 9 June 1987 and made between Hazelbright Properties Limited (1) Daniel Kam Fan Wong (2) and Mary Yau Tak Kai Wong (3) for a term of 120 years commencing on 25 March 1986 at an initial annual ground rent of £100.00;
2. "**the Term Date**" means the expiry date of the Existing Lease;
3. "**the New Term**" means a term of years from the date hereof and expiring on 24 March 2196;
4. "**the New Rent**" means a peppercorn;
5. "**the Premises**" means the premises described in and demised by the Existing Lease;
6. "**the Price**" means £[tbc];
7. "**the Act**" means the Leasehold Reform Housing & Urban Development Act 1993 (as amended);
8. "**the Modifications**" means the statutory modifications contained in clause 4 hereof.

WHEREAS:-

- (1) The reversion immediately expectant on the Existing Lease is now vested in the Landlord

- (2) The term of years granted by the Existing Lease is now vested in the Tenant
- (3) The Tenant in exercise of the rights conferred on him by Chapter 2 of Part 1 of the Act has required the Landlord to grant him a lease of the Premises for an extended term under the Act in substitution for the said term granted by the Existing Lease and the Landlord has agreed to do so in the manner and upon the terms hereinafter appearing

NOW THIS DEED WITNESSETH as follows:-

1. DEMISE

In consideration of the Price the Landlord hereby demises to the Tenant with limited title guarantee the Premises with the rights exceptions and reservations as are expressed in the Existing Lease to hold to the Tenant for the New Term subject as mentioned in the Existing Lease and subject to and with the benefit of the covenants on the part of the Landlord and the Tenant respectively contained in the Existing Lease and the provisos declarations and conditions contained in the Existing Lease together also with the covenants restrictions stipulations and conditions contained or referred to in the registered title and subject further to the Modifications yielding and paying to the Landlord the New Rent

2. MUTUAL COVENANTS

The Landlord and the Tenant mutually covenant that they will respectively perform and observe the several covenants provisos and stipulations contained in the Existing Lease as if they were repeated in full in this Lease subject to the Modifications and as if the names of the parties to this Lease were respectively substituted for those in the Existing Lease as appropriate

3. DECLARATION

This Lease is granted under Section 56 of the Act

4. STATUTORY MODIFICATIONS TO THE EXISTING LEASE

4.1 The Landlord may

SIGNED as a DEED by
AQUILIFER LIMITED
acting by one director in the
presence of:-

)
)
)
) Director:

Witness Signature

Witness Name

Witness Address

Witness Occupation