



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

Case Reference : **BIR/37UJ/OLR/2019/0045**

Property : **Flat 7, 89/91 Loughborough Road,
West Bridgford, Nottingham NG2 7JX**

Applicant : **Mr Scott Louis Brittle**

Representative : **Messrs Bradys Solicitors**

Respondent : **Mr P.L.C.C Minihane
Mrs. D. A. Minihane**

Type of Application : **A referral from the County Court of a
Determination of premium and terms
of acquisition: Section 48 Leasehold
Reform, Housing & Urban Development
Act 1993**

Tribunal Members : **Mrs A J Rawlence MRICS
Mr C Gell FRICS**

Date of Decision : **18 December 2019**

DECISION

1. The Tribunal determines that the premium to be paid for a 90 year lease extension for the property known as Flat 7 89/91 Loughborough Road, West Bridgford, Nottingham NG2 7JX (“the Property”) under the terms of the Leasehold Reform, Housing and Urban Development Act 1993 is **£13,655**.

Reasons for Decision

Introduction

2. On 26 August 2019, Deputy District Judge Maybury sitting at Nottingham County order the following:
 - a) The Claimant (Applicant) is entitled to a lease extension pursuant to section 39 of the Act;
 - b) the Claimant is entitled to a lease extension as set out in the section 42 Notice as the Defendants (Respondents) have failed to serve a counter notice in accordance with section 49 of the Act.
 - c) The proceedings are transferred to the Tribunal for a determination of the premium payable and terms of the new lease.
3. Directions were issued on 17 February 2019 and, in compliance with those Directions, the Applicant made submissions.
4. No submissions were received from the Respondents by way of the directions and the Tribunal again requested a copy of their valuation and a copy of the draft lease by 8 November 2019.
5. On 11 November 2019 a decision was made barring the Respondents from taking any further part in these proceedings under Rule 9(7)(a) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013. This decision was sent to both parties

Matters of fact

6. The following items were available to the Tribunal:
 - a) Valuation Date: 5 November 2018, being the date the S42 notice was served on the Respondents
 - b) Start date of lease 25 June 1975
 - c) Term 99 years
 - d) Ground Rent: £10.00 per annum

Proposed Terms for the Lease Extension

7. The Applicant proposed that the new lease be granted on the same terms as the existing lease at a peppercorn rent for a term expiring 90 years after the term date of the existing lease. No other modifications or amendments to the new lease were requested other than those that are required by the 1993 Act.

The Law

8. The relevant law is set out in Chapter II sections 39 to 62 and Schedule 13 to the Leasehold Reform, Housing and Urban Development Act 1993 (“the 1993 Act”).
9. Chapter II of the 1993 Act relates to the individual right of a tenant of a flat to acquire a new lease of that flat. The law is contained in Sections 39 to 61B of the 1993 Act and Part 2 of Schedule 13 deals with the premium payable in respect of the grant of a new lease.
10. Section 42 sets out what must be contained in the tenant’s notice. Section 45 sets out what must be contained in any counter-notice given in response by the Landlord.
11. Section 48 deals with applications where the terms of the new lease are in dispute or where there is a failure to enter into a new lease.
12. Section 56 deals with the obligation to grant a new lease and section 57 sets out the terms on which a new lease is to be granted.

Inspection

13. The Tribunal carried out inspection of the Property on 4 December 2019. 89 and 91 Loughborough Road, West Bridgford are a pair of Victorian three storey semi detached dwelling houses that have been converted into a single unit with 8 self contained flats. Flat 7 is on the first and second floors of No 89 and comprises a lounge, study, kitchen and bathroom on the first floor and one double and one single on the second floor. The flat has central heating. Very limited parking is available at the front of the property on a first come first served basis. There is a large communal garden to the rear.

The Applicant’s submissions

14. The Applicants provided a valuation dated 25 October 2018. This showed a calculation of the freeholder’s interest at £13,500.
15. The Applicants purchased the lease on 27th May 2015

The Tribunal’s Deliberations

16. The Tribunal considered all of the evidence submitted by the Applicant.

Length of the Lease

17. The Tribunal determines the unexpired term of the lease at the valuation date to be 56 years.

The Extended Lease Value

18. The Applicant had commissioned a valuation from Messrs Marriotts which included a value of £110,000.

The Tribunal's Valuation

19. The Tribunal determines that the premium to be paid for a 90-year lease extension for the Property is £13,655. The Tribunal's valuation is detailed in Appendix 1.

Appeal Provisions

20. If either party is dissatisfied with this decision, they may apply to this Tribunal for permission to appeal to the Upper Tribunal (Lands Chamber). Any such application must be received within 28 days after these written reasons have been sent to the parties (rule 52 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013).

Anthea J Rawlence
Chair

Appendix 1

Valuation of Flat 7 89/91 Loughborough Road, West Bridgford, Nottingham

<u>Term</u>					
Initial ground rent	£10				
YP x 56 years 6%	16.03	£160.3			
<u>Reversion</u>					
Extended lease value	£110,000				
PV £1 in 56yrs @5%	0.065	<u>£7,150</u>			
		£7,310		£7,310	
<u>Marriage Value</u>					
Proposed leaseholder interest	£110,000				
value of freehold new interest	nil	£110,000			
less					
existing leaseholder's interest		£90,000			
existing leaseholder interest		£7,310	£97,310		
Difference			<u>£12,690</u>		
landlord share 50%			£6,345	<u>£6,345</u>	
Freehold interest				£13,655	