



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

Case reference : **NAT/LON/00AK/OCE/2021/0136**

Property : **2nd Floor Flat, 135b, Church Street,
London N9 9RN**

Applicants : **Una Roberta Brown**

Representative : **Parks Wilshire Johnson Solicitors,
East Barnet**

Respondent : **Maria Constantinou (Missing
Landlord)**

**Type of
application** : **Section 50 and 51 of the Leasehold
Reform, Housing and Urban
Development Act 1993 (as amended)
("the Act") for a determination of the
terms and premium for the grant of a
new lease**

Tribunal member : **Mr Charles Norman FRICS (Valuer
Chairman)**

Date of decision : **16 November 2021**

Determination based on Written Representations

DECISION

- (1) This has been a remote determination on the papers which has not been objected 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, no-one requested the same, and all issues could be determined on paper. The documents that the Tribunal was referred to are in a bundle of 137 pages the contents of which the Tribunal has noted. The Decision made is set out at Paragraphs (2) and (3) below.

Decisions of the Tribunal

- (2) The Tribunal determines that the appropriate sum to be paid into Court for the lease extension of the property known as 2nd floor flat, 135b Church Street, London N9 9RN pursuant to Schedule 13 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the 1993 Act”), is **£28,128** (twenty eight thousand one hundred and twenty eight pounds).
- (3) The terms of the draft surrender and re-grant of the lease as supplied to the Tribunal are approved, save that the reference to 27 August 1985 at Paragraph 10 should read 27 August 2085.

Reasons

Introduction

1. This matter relates to an application made under section 50 and 51 of the Leasehold Reform, Housing and Urban Development Act (as amended) (“the Act”) for a determination of the terms and premium for the grant of a new lease of the property known as 2nd floor flat, 135b Church Street London N9 9RN (“the property”).
2. By proceedings brought under CPR Part 8 and issued on **19 November 2020 (“the valuation date”)**, the Applicant applied for an order dispensing with the requirement to serve a section 42 initial notice upon the respondent and for a vesting order. By an Order made by District Judge Dray sitting in the County Court at Clerkenwell & Shoreditch dated 10 June 2020, the application was granted. The matter was transferred to the Tribunal for the determination of:
 - (a) The form of the new lease and
 - (b) The sum to be paid into court in accordance with section 51(5) of the Act.
3. The Tribunal issued directions on 2 August 2021 requiring bundles to be provided by 13 September 2021, which were provided. The applicant was given an opportunity to request a remote video hearing, but has not done so and the matter has therefore come before me for determination based on written representations, in accordance with rule 31 of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 (“the rules”). The Tribunal is not currently carrying out

inspections except in special circumstances and I did not consider that an inspection was necessary or proportionate in this case.

Expert Evidence

4. An experts' valuation report was provided by Mr Jeffrey Allan Rollings MRICS who is employed by Castles Surveyors Limited Enfield and who is also a consultant to Prickett and Ellis Surveyors Limited, Muswell Hill. His report is correctly addressed to the Tribunal and contains the declarations required from expert witnesses by the Tribunal and the RICS. I am satisfied that Mr Rollings is suitably qualified to give expert evidence and understands his duties to the Tribunal.
5. The substantive valuation sections of the report may be summarised as follows. Mr Rollings carried out an external view of the property but did not inspect internally as a result of the Covid pandemic. The date of viewing was not stated. The property comprises a converted second floor flat within a three-storey mid-terraced house. The property is of brick with pebbledash under pitched tiled roofs. The internal arrangement, from plans annexed to his report, comprises one double and one single bedroom, reception room, kitchen, bathroom and entrance hall. The floor area is not stated. An exterior photograph was included. There no external area demised but the tenant may maintain a dustbin in front of the building. The building faces Church Road close to its junction with Arthur Road. This is a busy road connecting Edmonton Green with the Great Cambridge Road (A10). The exterior of the building is tired. There were no relevant improvements.
6. The lease commenced on 27 August 2086 for a term of 99 years at an initial annual ground rent of £50 rising by £50 every 33 years of the term. At the valuation date, there were 64.77 years unexpired.
7. Mr Rollings adopted 7% for the capitalisation rate and 5% for the deferment rate relying on *Sportelli* for the latter. He also considered that the long leasehold value should be taken as 99% of the virtual freehold value.
8. As to extended lease value, Mr Rollings relied on six comparables, details of which were provided. In three cases the unexpired terms were 85 years, 91 years and 86 years. I regard such unexpired lease lengths as intermediate rather than long unexpired terms. Using them would require adjustments and I therefore consider them unhelpful.
9. 21(a) All Saints Close N9 was a purpose-built two bedroom first floor flat in average condition sold in December 2024 for £258,000 with 108 years unexpired.
10. 24A Arthur Rd, N9 was a two bedroom ground floor flat with private garden in good condition sold in August 2024 £282,500. The unexpired lease term was 979 years.

11. Within the subject building at 135 Church St, another flat had recently been marketed with an asking price of £280,000. An offer of £270,000 had been made but there were no current offers. The lease has an unexpired term of 154 years.
12. Mr Rollings had used the index of property prices from HM Land Registry for flats in the London Borough of Enfield to adjust for the date of sale as against the valuation date. He also made a number of adjustments for condition and amenities. In terms of 21 All Saint Close, Mr Rollings made a market adjustment of £5200 and a 5% adjustment for location. As to 24 (a) Arthur Road Mr Rollings made 5% adjustments in respect of both location and outside space. Having analysed his comparables and consulted local agents Mr Rollings concluded that the extended lease value was £245,000. The premium was £27,600.

Relativity of Existing Short Lease to Virtual Freehold Value

13. Mr Rollings was unable to identify any market transactions to assist. Following *Deritend v Treskonova* [UKUT] 0164 (LC) UTLC he relied on relativity graphs which he stated gave 81.4% as a relativity.

Decision

14. I agree with the deferment and capitalisation rates put forward.
15. I accept 21 All Saint Close and 24(a) Arthur Road as relevant comparables and Mr Rollings' adjustments. These give resultant figures £239,900 and £254,300, respectively.
16. The average of the two adjusted comparables gives £247,100. However, I also place some weight on the offer of £270,000 for another flat in the subject building. I therefore find that the extended lease value is £250,000.
17. I agree with the 1% adjustment for freehold as against long leasehold value.
18. I accept that there is no reliable market evidence to establish relativity and that graphs must be used following *Deritend*. Mr Rollings has not specified the graph used. I prefer the Savills unenfranchiseable graph which gives a relativity of 81.50%, for an unexpired term of 64.75 years. This differs slightly from the 81.40% used by Mr Rollings.
19. I therefore find that the premium is £28,128 and my valuation is appended.

20. The terms of the draft surrender and re-grant of the lease are approved save that the reference to 27 August 1985 at Paragraph 10 should read 27 August 2085.

Name: Mr Charles Norman FRICS **Date:** 16 November 2021

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.
- 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.
- 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.
- 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.

APPENDIX

**IN THE MATTER OF 2nd Floor Flat, 135 Church St, London N9 9NR
VALUATION BY THE FIRST-TIER TRIBUNAL (PROPERTY CHAMBER)**

Date of Valuation						19-Nov-2020
Lease expiry date						26-Aug-2085
Unexpired Term /years						64.77
Unimproved long leasehold value					£	250,000
Virtual Freehold Value of Flat					£	252,525
Value of 64.77 year lease @ 81.50 % of virtual freehold value					£	205,808
Ground rent capitalisation rate						7.00%
Reversionary deferment Rate						5.00%
Premium Payable					£	28,128
Diminution in Value of Freeholder's Interest						
Term 1						
Ground rent				£	100	per annum
31.77 Years Purchase	@	7.00%	12.62		£	1,262
Term 2						
Ground rent				£	150	per annum
33 Years' Purchase	@	7.00%	12.75			
PV £1 in 31.77 years	@	7.00%	0.1165			
			1.48538		£	223
Reversion						
Value of virtual freehold				£	252,525	
Present Value of £1 in 64.77 years time @ 5%			0.04242			
					£	10,712
Freeholder's present interest					£	12,197
Less						
Freeholder's Proposed Interest						
value of virtual freehold				£	252,525	
Present Value of £1 in 154.77 years time @ 5%			0.00053		£	133
Diminution in Value of Freeholder's Interest					£	12,064
Calculation of Marriage Value						
Value of Proposed Interests						
Leaseholder				£	250,000	
Freehold after sale				£	133	
Total Value of Proposed Interests				£	250,133	
Value of Present Interests						
Existing lease				£	205,808	
Freeholder (see above)				£	12,197	
Total Value of Present Interests				£	218,005	
Hence Marriage Value, Difference Between Proposed and Present Interests				£	32,128	
Divide Marriage Value equally between the Parties					£	16,064
Premium Payable					£	28,128