



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

Case Reference : **LON/00AE/OLR/2014/1053**

Property : **15 Bermans Way, Neasden, London
NW10 1SD**

Applicant : **Mr Sivji Gorsia (1)
Mrs Manbai Gorsia (2)
Mr Vikram Gorsia (3)
Mrs Virbai Gorsia (4)**

Representative : **GPT Law Practice**

Respondent : **Mr Charles Fraser Dunn
Ms Ann Marie Bourke**

Representative :

Type of Application : **Determination of terms of new
lease purchase under section 51 of
the Leasehold Reform, Housing
and Urban Development Act 1993**

Tribunal Members : **Mr Jeremy Donegan – Tribunal
Judge
Mr Luis Jarero FRICS – Valuer
Member**

**Date and venue of
Paper Determination** : **13 October 2014
10 Alfred Place, London WC1E 7LR**

Date of Decision : **13 October 2014**

DECISION

Decisions of the tribunal

- (1) The tribunal determines that the appropriate sum to be paid into Court for the grant of a new lease to the Applicants for 13 Bermans Way, Neasden, London NW10 1SD ("the Flat"), pursuant to section 51(5) of the Leasehold Reform, Housing and Urban Development Act 1993 ("the 1993 Act"), is £10,315 (ten thousand, three hundred and fifteen pounds)

The application

1. The Applicant seeks a determination pursuant to section 51 of the 1993 Act.
2. On 07 March 2011 the Applicants issued a Part 8 Claim in the County Court at Willesden under claim number 1W100292, seeking a vesting order under section 50(1) of the 1993 Act. On 29 April 2014 Deputy District Judge Tomlinson made a vesting order, which provided that a new lease of the Flat would be granted to the Applicants upon them paying into Court a sum to be determined by the tribunal.
3. On 08 July 2014 the Applicants submitted an application to the tribunal under section 51 of the 1993 Act. Directions were issued on 14 July 2014. These provided that case would proceed to a paper determination. None of the parties has objected to this or requested an oral hearing. The paper determination took place on 13 October 2014.
4. The Applicants' solicitors supplied the tribunal with a hearing bundle that contained copies of the existing lease, Land Registry searches for the freehold and leasehold titles, relevant documents from the County Court proceedings and a table dealing with any additional sums that might be payable to the Respondents.
5. The bundle did not include a draft new lease and the tribunal were informed by the Applicants' solicitors that the County Court would be approving the form of the new lease.
6. The tribunal were also supplied with two valuation reports from the Applicant's surveyor, Mr Mandeep Jhita MRICS of Anderson Wilde & Harris Chartered Surveyors, both dated 16 September 2014. The first was based on a valuation dated of 07 March 2011 and the second was based on a valuation date of 29 April 2014.
7. The relevant legal provisions are set out in the Appendix to this decision.

The background

8. The Applicants are the joint leaseholders of the Flat, The Respondents are the joint freeholders of 13/15 Bermans Way, Neasden, London NW10 1SD ("the Building"). The Applicants have had no contact with the Respondents since they purchased the Flat on 23 June 1994.
9. The tribunal did not consider that an inspection of the Building or Flat was necessary, nor would it have been proportionate to the issues in dispute.

The lease

10. The lease of the Flat was granted by Mr John Wakefield to Ms Breda Cunningham on 29 December 1981 for a term of 99 years from 24 June 1988. The Respondents are successors in title to Mr Wakefield and the Applicants are successors in title to Ms Cunningham.
11. The ground rents specified in the lease are £30 per annum for the first 33 years of the term, £60 per annum during the second 33 years and £90 per annum during the remainder of the term.

The issues

12. The tribunal is required to determine the appropriate sum to be paid into Court pursuant to section 50(5) of the 1993 Act.
13. Having studied the submissions from the Applicant and considered all of the documents provided, the tribunal has made the following determination.

Lease extension premium

14. In his first report, Mr Jhita valued the premium for a statutory lease extension at £10,315. This was based on a valuation date of 07 March 2011 and a capital value for the flat of £200,000. In his second report, Mr Jhita valued the premium for a statutory lease extension at £16,120. This was based on a valuation date of 29 April 2014 and a capital value for the Flat of £250,000.
15. Both valuation reports adopted a capitalisation rate of 8% and a deferment rate of 5%. The first report adopted a relativity of 92.10% and the second adopted a relativity of 90.07%. In both reports, Mr Jhita used a mean average of the relativity graphs provided by Beckett & Kay, South East Leasehold, Nesbitt & Co, Austin Gray and Andrew Pridell.

- (c) any amounts or estimated amounts determined by such a tribunal as being, as the time of execution of that lease, due to the landlord from the tenant (whether due under or in respect of the tenant's lease of his flat or under or in respect of any agreement collateral thereto).
- (6) Where any lease is granted to a person in accordance with this section, the payment into court or the appropriate sum shall be taken to have satisfied any claims against the tenant, his personal representatives or assigns in respect of the premium and any other amounts payable as mentioned in subsection (5)(a) and (b).
- (7) Subject to subsection (8), the following provisions, namely –
 - (a) sections 57 to 59, and
 - (b) section 61 and Schedule 14,shall, so far as capable of applying to a lease granted in accordance with this section, apply to such lease as they apply to a lease granted under section 56, and subsections (6) and (7) of that section shall apply in relation to a lease granted in accordance with this section as they apply in relation to a lease granted under that section.
- (8) In its application to a lease granted in accordance with this section
 - (a) section 57 shall have effect as if –
 - (i) any reference to the relevant date were a reference to the date of the application under section 50(1) in pursuance of which the vesting order under that provision was made, and
 - (ii) in subsection (5) the reference to section 56(3)(a) were a reference to subsection (5)(c) above; and
 - (b) section 58 shall have effect as if –
 - (i) in subsection (3) the second reference to the landlord were a reference to the person designated under subsection (3) above, and
 - (ii) subsections (6)(a) and (7) were omitted.