



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

Case Reference : **MI/LON/00AH/OLR/2015/1137**

Property : **Flat 2, 88 Melfort Road, Thornton
Heath, Surrey CR7 7RN**

Applicants : **Mr Richard Okolo & Mrs Mojisola
Okolo**

Representative : **Chadwick Lawrence LLP**

Respondent : **(1)Mr David Anthony Shields
(2)Mr Abdul Shakur**

Representative : **N/A**

Type of Application : **Lease extension**

Tribunal Members : **Judge Tagliavini
Mr R Shaw FRICS**

**Date and venue of
hearing (paper)** : **10 Alfred Place, London WC1E 7LR
19 August 2015**

Date of Decision : **19 August 2015**

- (1) The tribunal determines that the sum of £14,176.00 is payable by the Applicants to the Respondents in respect of the lease extension sought.

The application

1. Proceedings were originally issued in the Croydon County Court under claim no. A03CR360 on 25 November 2014. The claim was transferred to the tribunal by an order of District Judge Parker on 14 April 2015 with the sole direction that the tribunal is asked to determine the premium payable for the lease extension sought by the Applicants pursuant to the provision of the Leasehold Reform Housing and Urban Development Act 1993. .]

The hearing

2. The Applicants did not request an oral hearing and the Respondents were not able to be located and service was dispensed with by the county court.
3. Therefore, the tribunal determined that this application was suitable to be dealt with on the papers.

The background

4. The property, which is the subject of this application is a three-bedroom first and second floor maisonette within a converted period building.
5. The Applicants did not request an inspection nor did the tribunal consider an inspection was necessary having been provided with sufficient details of the property in the valuation report and other documents relied upon by the Applicants.

The issues

6. The tribunal identified that the sole issue to be determined is:
 - (i) The premium payable for the proposed lease extension.
7. The documents provided to the tribunal included the amended valuation report of Mr Peter Loizou MRICS of Appraisal Chartered

Surveyors & Estate Agents dated 6 August 2015. This report concluded that the premium payable for the lease extension sought is £14,176.00. The tribunal noted, however, that this amended report failed to specify the length of the leases for the comparable properties; failed to make an adjustment for size in his comparable properties; understated the unexpired term of the subject lease of 70.83 years instead of the 70 years unexpired used and is missing an element in the marriage value calculation i.e. the value of the landlords' interest at the end of the extended term.

8. Notwithstanding these defects, the tribunal, using its experience and expertise is of the view that the premium payable as submitted by Mr Loizou favoured the Respondents and was marginally higher than would otherwise have been expected. Further, the tribunal had regard to the fact that it had previously requested further details from Mr Loizou and to delay matter further by making a second request for additional information, was in the tribunal's view disproportionate to the issue it was required to determine. Therefore, the tribunal accepted Mr Loizou's valuation evidence and determines that the premium payable is £14,176.00.
9. The tribunal now remits this matter back to the Croydon county court for a determination of the terms of the new lease and any other relevant issues.

Signed: Judge Tagliavini

Dated: 19 August 2015