

LONDON RENT ASSESSMENT PANEL  
LEASEHOLD VALUATION TRIBUNAL

LEASEHOLD REFORM HOUSING & URBAN DEVELOPMENT ACT 1993 (AS  
AMENDED) SECTION 26.

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**LON/NL/1952/06**

**Premises:** 61 Mildmay Park, London N1 4NB

**Applicants:** (1) Guy Bentham; (2) Valdilene Aparecida De Almeida Loud;  
Andre  
(3) Andre Christodoulou & David Richard Jenks

**Represented by:** McGlennons Solicitors

**Respondent:** Randnorth Limited & Sparklehurst Limited  
**(Absentee)**

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**Preamble:**

This is an application made in the Clerkenwell County Court on 10/5/06 pursuant to section 26 of the Leasehold Reform & Urban Development Act 1993 (as amended). By an order of District Judge Starey dated 14/6/06, the application was transferred to the Leasehold Valuation Tribunal for a determination of the freehold price payable, the court having determined that the Applicants satisfy the qualifying criteria.

**Decision:**

This application came before the LVT on 12/9/06 for a determination on the papers. The subject premises comprise a house built circa 1880 with brick walls and suspended timber floors and main roof behind a parapet wall. The house is converted into flats on the basement, ground, first and second floors. Each flat is held on a lease for a term of 125 years from 29/9/90 with a ground rent payable of £50 per annum for the first 25 years; £75 per annum for the next 25 years; 100 per annum for the following 25 years; £125 per annum for the next 25 years and £150 per annum for the remainder of the term.


In support of the application, the Applicants relied upon the witness statement of Mr A. McGlennon, solicitor dated 2/5/06, together with exhibits; the witness statement of Mr. G. Bentham dated 2/5/06; the witness statement of Valdilene Aparecida De Almeida Loud dated

2/5/06 and the witness statement of Mr. Christodoulou and Mr. R. D. Jenks dated 22/2/06. In addition the Tribunal was provided with a valuation report of Mr. I. J. Ailes Esq, BSc, FRICS, Dip Rating of J.C. Francis and Partners Limited dated 4/8/06.

It was said by Mr. McGlennon that after making all necessary enquiries of Companies House and the Land Registry as well as the Treasury Solicitor (Bona Vacantia Department) that Respondent company, Randnorth Limited a transfer of the subject property was lodged in 1992 and again in 1995 to a company known as Sparklehurst Limited, for which consideration and a receipt was given. However, the transfer was not completed, with the effect in the opinion of the Treasury Solicitor, that Sparklehurst Limited is the equitable owner of the subject property with legal title remaining with Randnorth Limited. However, since the transfer, Randnorth Limited has been dissolved and removed from the companies register. Mr. McGlennon contacted Sparklehurst Limited through the Quadron Group of Companies in June 2001. In a letter dated 2/7/01 it is recorded that Sparklehurst Limited (or Quadron) has no interest in pursuing or participating in this matter. However, the Tribunal notes that there was no direction given by the learned District Judge that the subject premises be vested in the Applicants or gave approval to the terms of transfer.

In his report, Mr. Ailes gave his opinion that a freehold purchase price of £3,445 adopting a combined yield and reversion rate of 8% was appropriate. Having considered all the relevant documentary evidence in this matter and relying on its own expertise the Tribunal decided that a 7% combined yield and reversion rate is more appropriate having regard to the nature and quality of the subject matter of this application. The Tribunal was reminded of the approach taken in *Arbib* and the guidance that decision provided. However, this Tribunal is of the view that the subject property is neither comparable to the type of property considered in that case or the locality. In calculating the figure payable the Tribunal also takes into account the ground rent payable (whether demanded or not) and adopts a six-year limitation period to pro rata the ground rent payable according to the date of the lease acquisition of each Applicant.

The Tribunal therefore determines a freehold purchase price of **£4,433** together with unpaid ground rents of **£855 (Total: £5,288)**. (*see: Valuation and Schedule of Ground Rents attached*). The Tribunal directs that this application should be transferred back to the Clerkenwell County Court for a vesting order and approval of the terms of transfer.

Chairman.....

Dated:.....12/5/06.....

**61 Mildmay Park, London N1 4NB**

**Determination of the price to be paid by the nominee purchaser in accordance with s.32 and Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993, as amended, for the purposes of s.27(5) of the Act, as at 10 May 2006 - the date on which proceedings were issued in the Clerkenwell County Court.**

**A. Value of landlord's freehold interest (Sched 6 para 3)**

Ground rents 10/5/2006 to 28/9/2015 YP 9.39 yrs @ 7%	£200 p a <u>6.7135</u>	£1,343
Ground rents 29/9/2015 to 28/9/2040 YP 25 yrs @ 7%	£300 p a <u>11.6536</u> £3,496.08	
PV £1 9.39 yrs @ 7%	<u>0.5300558</u>	£1,853
Ground rents 29/9/2040 to 28/9/2065 YP 25 yrs @ 7%	£400 p a <u>11.6536</u> £4,661.44	
PV £1 34.39 yrs @ 7%	<u>0.0976624</u>	£455
Ground rents 29/9/2065 to 28/9/2090 YP 25 yrs @ 7%	£500 p a <u>11.6536</u> £5,826.80	
PV £1 59.39 yrs @ 7%	<u>0.0179942</u>	£105
Ground rents 29/9/2090 to 28/9/2115 YP 25 yrs @ 7%	£600 pa <u>11.6536</u> £6,992.16	
PV £1 84.39 yrs @ 75	<u>0.0033154</u>	£23
Reversion to freehold with vacant possession, excluding value of tenants' improvements PV £1 109.39 yrs @ 7%	£1,070,000 <u>0.0006108</u>	£654
<b>Value of landlord's freehold interest</b>		<b>£4,433</b>

**B. Marriage Value (Sched 6 para 4) £nil**  
(Section 128 of the Commonhold and Leasehold Reform Act 2002 amended paragraph 4(2) of Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993, and inserted paragraph 4(2A) which provides that the marriage value is to be ignored where at the relevant date the unexpired term of a lease held by a participating tenant exceeds eighty years.

"The relevant date" is defined in s.1(8) of the 1993 Act as the date on which notice of the claim is given under s.13, or, where the landlord cannot be found, in s.27(1)(b), as if the applicants had, at the date of their application [for an order under s.26] given notice under s.13 of their claim to exercise the right to collective enfranchisement in relation to the premises in respect of which the order is made. An application was made in the Clerkenwell County Court and proceedings were issued on 10 May 2006, at which date the leases had more than 109 years unexpired. No marriage value is therefore payable by the nominee purchaser).

**C. Any Other Loss (Sched. 6 para 5) £nil**

**D. Price to be paid for the Landlord's freehold interest**

Value of landlord's freehold interest	£4,433
Share of marriage value	£nil
Any other loss	<u>£nil</u>
	<b>£4,433</b>

## **61 Mildmay Park, London N1**

### **Unpaid freehold ground rents**

1. The Official Copy issued on 17 August 2006 shows that the freehold interest in 61 Mildmay Park was acquired by Randnorth Limited on 26 October 1988, and that leases of the four flats were granted during 1991 for 125 years from 29 September 1990
2. The Harrow District Land Registry, in its reply to Messrs McGlennons dated May 2001, confirmed that an application had been lodged in 1991 (which was eventually cancelled) and re-lodged in 1995, to register a transfer from Randnorth Limited to Sparklehurst Limited dated 10 February 1992. The 1995 application was also cancelled as the applicant's solicitors failed to reply to requisitions.
3. Messrs McGlennons, in their letter to the directors of Sparklehurst Limited dated 4 June 2001 stated that Randnorth Limited had ceased to carry out management functions five or six years previously (ie in 1995 or 1996) and had been struck of the Register of Companies in 1997.
4. In its reply dated 2 July 2001 the Legal Department of the Quadron Group of Companies advised Messrs McGlennons that the directors of Sparklehurst Limited were unable to assist.
5. Guy Bentham, the lessee of Flat 4 and one of the participating lessees, said in his Witness Statement dated 2 May 2006 that "Active management of the property ceased about 1997 and the lessees have collectively tried to manage the property since ..."
6. It therefore seems safe to assume that there has been no effective management of the property for at least six years prior to the valuation date, ie since 10 May 2000.
7. The Official Copies in the bundle show that the leasehold interests were purchased by the following lessees on the following dates -
  - Flat 1 - Andre Christodoulou & David Richard Jenks on 5 January 2000
  - Flat 2 - Anne Patricia O'Connor on 9 July 2003
  - Flat 3 - Valdilene Aparecida de Almeida Loud on 20 February 2004
  - Flat 4 - Guy Bentham on 11 June 1993

8. On the basis of this information, my calculation of the unpaid freehold ground rents, subject to a six-year limitation period, is as follows -

Flat 1 - 5 Janury 2000 to 10 May 2006 -

6 years @ £50 p a = £300.00

Flat 2 - 9 July 2003 to 10 May 2006 -

2.833 years @ £50 p a = say £142.00

Flat 3 - 20 February 2004 to 10 May 2006 -

2.25 years @ £50 = say £113.00

Flat 4 - 11 June 1993 to 10 May 2006 -

6 years @ £50 p a = £300.00

Total unpaid freehold ground rents £855.00

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Total unpaid freehold ground rents		£855.00