



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

**Case Reference** : **LON/00BC/OAF/2022/0004**

**HMCTS code (paper, Video, audio)** : **P:PAPERREMOTE**

**Property** : **94 Elgin Road , Ilford, IG3 8LW**

**Applicant** : **94 Elgin Road Freehold Company Ltd.**

**Representative** : **In Person**

**Respondents** : **Ranjit Singh Thiara**

**Representative** : **Missing Landlord**

**Type of Application** : **Sections 26 and 27 of the Leasehold Reform, Housing and Urban Development Act 1993**

**Tribunal Member** : **Mr R Waterhouse BSc (Hons) LL.M  
Property Law MA FRICS**

**Date of determination and venue:** **6<sup>th</sup> April 2022**  
**Date of Decision:** **6<sup>th</sup> April 2022**

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**DECISION**

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This has been a remote paper determination, which has been consented to by the parties. A face-to-face hearing was not held because it was not practicable and no one requested same.

The documents the Tribunal were referred to were in a bundle of some 167 pages.

### **Summary of the tribunal's decision**

- (1) The appropriate premium payable for the collective enfranchisement is £123,000. (One hundred and twenty-three thousand pounds.)**

### **Background**

1. This is an application made by the applicant qualifying tenants pursuant to section 26 and 27 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the premium to be paid for the collective enfranchisement of 94 Elgin Road, Ilford IG3 8LW. (the "property") where the Landlord cannot be found.

### **The issues**

2. In the absence of the Landlord there are no matters agreed. The applicants have submitted a valuation report prepared by Colin Horton of Hortons.

(a) The subject property is a Victorian building over two floors, subsequently converted into four self-contained flats. Construction is traditional brick elevation.

The accommodation comprises;

94a, ground floor flat one double bedroom, living room, kitchen and bathroom WC.

94d ground floor, one single bedroom, living room, kitchen and bathroom.

94 b, first floor one single bedroom, living room, kitchen and bathroom WC.

94 C first floor, one double bedroom, kitchen, bathroom and living room.

Outside there is a communal garden.

(b) The valuation date is 26<sup>th</sup> October 2021.

(c) Details of the tenants' leasehold interests:

Flat A, B, C, and D are on the same terms, 99 years from 25<sup>th</sup> December 1980 rent £100 pa rising by £50 each 21 years with final 15 years of £250 pa payable.

The tribunal regards these matters as uncontroversial and they are supported by documents in the bundle. The tribunal will consider the evidence on the following matters:

(d) Capitalisation of ground rent:

(e) Deferment rate:

(f) Freehold value

(g) Relativity

(h) Development hope value.

(i) Appurtenant Land

(j) The premium payable.

### **The hearing**

5. The case was dealt with on the papers on 6<sup>th</sup> April 2022 with the necessary documents provided in a bundle by the Applicant's representative.

6. The tribunal was not asked to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.

7. The applicant relied upon the expert report and valuation of Colin Horton of Hortons dated 26<sup>th</sup> October 2021.

### **Capitalisation rate**

8. Colin Horton considers that capitalisation rates 7.0% are normal. The rent is modest and reviews are at 21 years apart.

### **The tribunal's determination**

9. The tribunal determines that the rate to be used is 7.0%.

### **Reasons for the tribunal's determination**

10. The tribunal notes that a rate of 7.0% has been used in Colin Horton's experience and in the absence of any specific evidence to show that this should be varied in this case the tribunal will adopt this rate.

### **Deferment rate**

11. Colin Horton applies the Sportelli rate of 5%

### **The tribunal's determination**

12. The tribunal determines that 5% is appropriate as the deferment rate.

### **Reasons for the tribunal's determination**

13. The tribunal sees no reason to depart from the Sportelli rate.

### **Freehold value**

14. Colin Horton values the freehold interest of each flat at £200,000.

### **The tribunal's determination**

15. The tribunal determines that the reversionary value is supported by the evidence, notwithstanding that, no distinguishment is made between flats for either floor level or whether they offer a one single bedroom or a double the evidence supports an average of £200,000 per flat.

### **Reasons for the tribunal's determination**

16. The comparable evidence represented in the report supports these figures.

### **Relativity**

17. Colin Horton uses Savills unenfranchisement , Zucconi and Gerald Eve graphs to determine a relativity figure of 75.6%.

### **The tribunal's determination**

18. The graphs form solid evidence and the relativity is accepted.

### **Reasons for the tribunal's determination**

19. The graphs are widely accepted as a robust approach for determining the relativity.

### **Development hope value**

20. The tribunal determines that there is no development hope value to be included in the calculation.

### **Reasons for the tribunal's decision**

21. The property is fully utilised by the subject flat and there is no development potential.

### **Appurtenant land**

22. Nil is added for appurtenant land.

### **Reasons for the tribunal's decision**

23. This is accepted by the tribunal.

### **The premium**

24. The tribunal determines the appropriate premium to be £123,000.00

25. A copy of the valuation is annexed to this decision.

*Richard Waterhouse*

**Name: Mr R Waterhouse  
Valuer Chair**

**6th April 2022**

## **ANNEX – RIGHTS OF APPEAL**

- 1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier at the Regional Office which has been dealing with the case.**
- 2. 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.**
- 3. If the application is not made within the 28-day time limit, such application must include a request to 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.**
- 4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie 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**

