



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

**Case Reference** : **MM/LON/00AP/OCE/2020/0070**

**HMCTS Code (paper, video, audio)** : **V: CVPREMOTE**

**Property** : **73 Mount Pleasant Road, London N17 6TW**

**Applicant** : **73 Mount Pleasant Road Freehold Limited**

**Representative** : **Mr Edward Blakeney (Counsel)**

**Respondent** : **Ms Selima Talukder**

**Representative** : **Mr Ian Mitchell (Solicitor)**

**Type of Application** : **Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993**

**Tribunal Members** : **Judge Donegan  
Mr Kevin Ridgeway MRICS (Valuer Member)**

**Date and venue of Hearing** : **19 January 2021  
10 Alfred Place, London WC1E 7LR**

**Date of Decision** : **15 February 2021**

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**DECISION**

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## **Covid-19 pandemic: description of hearing**

**This decision was made following a remote video hearing, which none of the parties objected to. The form of remote hearing was V: CVPREMOTE. A face-to-face hearing was not held due to the current lockdown restrictions and all issues could be reasonably determined at a remote hearing. The documents that the Tribunal was referred to are in a hearing bundle of 304 pages (see paragraph 13, below), the contents of which were noted.**

## **Decisions of the Tribunal**

**The Tribunal determines that the enfranchisement price payable for the freehold of 73 Mount Pleasant Road, London N17 6TW (‘the Property’) is £47,806 (Forty-Seven Thousand, Eight Hundred and Six Pounds).**

## **The background**

1. This application concerns a collective enfranchisement claim for the Property, which is a two-storey, mid-terrace house that has been converted into two flats. Both flats are let on long leases.
2. The respondent is the freeholder of the Property. The leaseholders of the two flats served an initial notice on 26 September 2019, pursuant to section 13 of the Leasehold Reform, Housing and Urban Development Act 1993 (‘the 1993 Act’). This claimed the freehold of the Property and the applicant company was named as the nominee purchaser.
3. The initial notice proposed the following prices:
  - (a) £30,000 for the “*Premises*”, being the house; and
  - (b) £10 for the “*Other Property*” being appurtenant property.
4. The respondent served a counter-notice on 28 November 2019, admitting the leaseholders right to enfranchise but disputing the proposed prices. Her counter-proposals were:
  - (a) £69,000 for the Premises; and
  - (b) £1,000 for the Other Property.

## **The Tribunal application and directions**

5. The Tribunal application was dated 20 April 2020 and directions were issued on 21 September 2020.

6. Direction 1 provided that any application to determine the respondent's recoverable costs was stayed. There has been no application to lift this stay. Directions 2-4 dealt with the terms of the transfer deed, although the application form stated (at paragraph 9 of panel 8):  
*"The Tribunal need not be concerned with the terms of the transfer deed beyond the premium for the purposes of this application."*
7. The relevant legal provisions are set out in the appendix to this decision.

### **The leases**

8. The hearing bundle included official copies of the freehold and leasehold titles, the leases for both flats and a deed of surrender and re-grant for the first floor flat ('FFF').
9. The lease of the ground floor flat ('GFF') was granted by Sultan Talukder and the respondent (1) to George Henderson and Valerie Zorriasatein (2) on 19 October 1986, for a term of 99 years from 19 October 1984.
10. The FFF lease was granted by Mr Talukder and the respondent (1) to Thamsiah Ganesanayakam and Bhavani Ganesanayakam (2) on 05 August 1983, for a term of 99 years from 05 August 1983. This was extended by the deed of surrender and re-grant, made between Mr Talukder and the respondent (1) and Thomas Gregory (2) on 25 November 2015. The extended term is 189 years from 05 August 1983.
11. It is unnecessary to recite the lease terms in detail, given that most issues had been agreed by the time of the hearing. The only material term is the extent of the FFF, which is defined at clause 1 of the original lease as:

*"ALL THAT First floor maisonette known as Number 73A Mount Pleasant Road London N.17 aforesaid being the upper of two maisonettes together with the floors thereof (but not the ceilings of the maisonette below) the internal and external walls of the maisonette up to the same level and the ceiling enjoyed therewith ALL WHICH said property is for the purpose of identification shown coloured pink on the plan annexed hereto and is hereinafter called "the maisonette"."*

The lease-plan just shows the first floor of the Property and does not include the loft-space, above.

### **The hearing**

12. The application was heard via remote video platform on 19 January 2021. The applicant was represented by Mr Blakeney and Mr Mitchell appeared for the respondent.

13. The Tribunal was supplied with a digital hearing bundle that contained copies of the application, directions, initial notice, counter-notice, various title documents, a draft transfer deed, a statement of agreed facts and matters in dispute and expert reports from the two valuers, Mr Andrew Cohen MRICS (for the applicant) and Mr Paul Tarrant (for the respondent). The Tribunal was also supplied with a helpful skeleton argument from Mr Blakeney.
14. By the time of the hearing the parties had agreed the term and reversion values of both flats, as follows:  
GFF - £41,843  
FFF - £213  
The only remaining issue was the development value, if any, attributable to the loft-space.
15. During the course of the hearing, Mr Blakeney confirmed that the Tribunal was not required to determine the form of the transfer deed.

### **Development value**

16. The experts agree there is scope to extend the FFF by developing the loft-space. However, they differ over the potential uplift in value and what sum the hypothetical purchaser ('HP') might pay for this space.
17. The loft-space can only be accessed from the FFF but was not included in the original demise. It cannot be developed independently and is not large enough to create a separate flat.
18. The value of the respondent's interest in the Property is the amount that interest might be expected to realise on the valuation date if sold on the open market by a willing seller to a willing buyer, subject to various assumptions (paragraph 3(1) of schedule 6 to the 1993 Act). The applicant, the leaseholders of both flats and the respondent are to be disregarded as potential buyers, so the value is the sum a third party would pay. The HP is assumed to have received sound and responsible advice – *Earl Cadogan v 2 Herbert Crescent Freehold Limited LRA/91/2007*. He would be prudent not rash – *31 Cadogan Square Freehold Limited v Earl Cadogan [2010] UKUT 321 (LC)*.
19. As at the valuation date (26 September 2019), the FFF lease had 152.85 years unexpired. Prior to the hearing, the experts had agreed the GIA at 71 square metres (764 square feet) and the freehold value at £370,000. During a short break in the hearing they agreed the cost of converting the loft space (including professional fees and alternative accommodation costs) at £72,000. The current accommodation is two

bedrooms, a sitting room, kitchen and bathroom/WC. The loft hatch is in the hallway. There is no outside space.

20. The Tribunal heard oral evidence from Mr Cohen and Mr Tarrant, who are both experienced valuers. Mr Cohen worked as an estate agent from 1986 to 2001 when he became a member of RICS. He is a RICS Registered Valuer and a director of Talbots Surveying Services Limited. He specialises in 1993 Act valuations. Mr Tarrant has 14 years' experience in valuation and professional surveying matters and is a director of Res Prop Surveyors. He qualified as a Chartered Surveyor in 2009 and is also a RICS Registered Valuer. He has broad experience, including valuations under the 1993 Act.
21. Mr Cohen spoke to a report dated 20 December 2020, in which he assessed development value at only £100. This was based on an uplift in value of £80,000 and conversion costs of £77,800. This would leave a profit of £2,200 (incorrectly stated as £200 in the report). Mr Cohen considers it customary for the profit to be shared equally between the freeholder and leaseholder. The HP would conclude there is little profit in the scheme and only pay a nominal sum.
22. In his oral evidence, Mr Cohen adjusted his profit figure to £4,000 to reflect the agreed conversion costs (£72,000). He suggested that the HP would only pay 10% of this sum, to reflect risk, so his adjusted loft-space value was £400.
23. Mr Cohen's starting point was to assess the additional space that can be created. Much of the loft-space is unusable due to the pitch of the main roof and the low head height. Mr Cohen had measured the area where the height exceeds 1.5 metres to be approximately 6 metres wide by about 4 metres long. This is large enough to form a third bedroom with an en-suite shower room/WC.
24. Mr Cohen relied on a report from a building surveyor, Mr Andrew Mazin FRICS of Sanderson Weatherall, dated 18 December 2020 (appended to his report). Having regard to the pitch of the roof and the layout of the FFF, Mr Mazin concluded that a rear dormer would be required and there may be some reduction in the size of the second bedroom, to accommodate the new staircase. The maximum head height would be just above the minimum requirement of 2.1 metres. Full planning permission would be required but this is likely to be granted.
25. Also appended to Mr Cohen's report was an email from Mr Mazin stating:

*"I can advise that the additional room in the loft space would be approximately 26sqm of habitable space although the room size would*

*be larger but would be affected by the sloping ceiling being the underside of the roof.*

*In addition there would be the en suite bathroom.”*

26. Mr Cohen then considered the value of the FFF, following the loft conversion. He was unable to find any comparable sales, with similar extensions, in Mount Pleasant Road. Rather, he relied on two sales in neighbouring roads. 42A Handsworth Road sold for £445,000 in October 2019, close to the valuation date. The loft area added approximately 180sf to the overall size of the flat but Mr Cohen considers Handsworth Road more desirable. 57A Dongola Road sold for £450,000 in June 2020 with the loft area adding 228sf to the size of the flat. Again, Mr Cohen considers this road to be superior.
27. As a check, Mr Cohen also considered the sales of three, nearby terrace houses; 54 Mount Pleasant Road sold for £590,000 in October 2019, 4 St Margaret's Road sold for £525,000 in September 2019 and 40 Morrison Avenue sold for £525,000 in June 2020.
28. Having regard to these comparables and the absence of outside space, Mr Cohen valued the FFF, with a loft conversion, at £450,000. This represents an uplift of £80,000 on the agreed value, with its current layout, of £370,000.
29. In cross-examination (conducted by Mr Tarrant with the Tribunal's permission), Mr Cohen explained that he was very familiar with the Tottenham area having worked there as an estate agent. In his opinion, Mount Pleasant Road is busier and less desirable than the neighbouring streets. Handsworth Road is the most desirable, then Dongola Road.
30. Mr Cohen accepted that the Property is different in style and slightly wider than neighbouring houses. His measurements of the loft space were challenged, as his width figure (6 metres) was less than width of the FFF below (6.98 metres). He confirmed that he had measured the loft but relied on Mr Mazin's habitable space figure.
31. Mr Cohen explained that he had not made specific adjustments for condition, location, size or time when analysing the loft extension comparables. In his opinion, the HP would not undertake this mathematical exercise. They would take a more robust approach, as the loft can only be sold on to the FFF leaseholder.
32. Mr Cohen accepted that the FFF, once extended, would be larger than 42A Handsworth Road (896sf) and 57A Dongola Road (860sf). The latter only has two bedrooms and no en-suite in the loft but is a particularly nice flat. The size difference is also counteracted by the superior location of both comparables.

33. In response to questions from the Tribunal, Mr Cohen stated that the extended FFF would not lend itself to families with young children, as there is no outside space and the new staircase would be steep.
34. Mr Tarrant spoke to an undated report in which he assessed development value at £26,000. This was based on a value uplift of £115,000 and conversion costs of £63,000. This would leave a profit of £52,000, and the freeholder could charge half this sum. These figures reduced to £43,000 and £21,500, after factoring in the agreed conversion costs.
35. Mr Tarrant highlighted the square footprint of FFF, which lends itself to a loft extension. In his opinion, the current landing is wide enough to accommodate a new staircase without encroaching on existing rooms. A schedule of recent planning consents for loft extensions in Mount Pleasant Road, Dongola Road and Handsworth Road was appended to his report. In total there were seven consents; all of which involve rear dormers. The measured loft areas based on floor plan drawings, where available, range from 229 to 352sf.
36. Mr Tarrant also relied on the sale of 42A Handsworth Road. This is a L-shaped first and second floor flat with a total GIA of 896sf. The first-floor footprint comprises a main front box section with rear outrigger. The main roof was converted with a dormer but not the outrigger. The loft staircase was created in the stairwell, without disturbing existing walls. Mr Tarrant had calculated the first floor GIA, excluding the outrigger, at 408sf and the “*saleable GIA*” of the loft extension at 229sf. The latter is approximately 56% of the former. Applying this percentage to the GIA of the FFF would give a loft area of approximately 350sf and a total GIA, following the extension, of 1,114sf. This will be substantially larger than 42A Handsworth Road.
37. The agreed share of freehold value of the FFF (£370,000) equates to £484psf. Mr Tarrant proposed a lower rate of £435psf, following the extension, to reflect a quantum discount of 10%. Applying this to the extended floor area (1,114sf) produces a value of £485,000.
38. Mr Tarrant placed considerable weight on the sale of 42A Handsworth Road, given the proximity in time and location and its similarities with the Property. He lives locally, in Crouch End and undertakes many valuations in North London. He is familiar with the Tottenham property market. In his opinion, Mount Pleasant Road and Handsworth Road are comparable; being a few streets apart.
39. In cross-examination, Mr Tarrant was asked about the similarity between his valuation (£69,814) and the counter-notice figure. He denied being influenced by the latter.

40. Mr Tarrant acknowledged that his approach to quantifying the loft GIA, based on figures extrapolated from 42A Handsworth Road, was not reliable in isolation. He said he had also inspected the loft and measured the habitable floor area; despite no measurements appearing in his report. He had not analysed the other properties in the planning consent schedule.
41. Although there have been several planning consents for loft extensions, Mr Tarrant had been unable to find other loft-extension sales. Ideally, he would have had a few more comparables but there was a lack of market evidence. 42A Handsworth is a good comparable and did not require a location adjustment, given its proximity to the Property.
42. Mr Tarrant accepted that converted lofts are less valuable than lower floors. He also accepted that buyers of three-bedroom flats are generally families. He stood by his £485,000 valuation for the extended FFF and considered the differential with the terrace-house sales to be sufficient, given their respective floor areas.
43. Mr Tarrant's case was that the loft space could be sold to the FFF leaseholder for £21,500. He had not applied an additional discount for the HP's profit or risk, as a future sale was highly likely and the HP would benefit from capital appreciation.
44. A previous enfranchisement valuation, from Mr N P Braham of Braham Sears Surveyors, was appended to Mr Tarrant's report. This was dated 08 July 2014 and valued the freehold at £65,058, including £20,000 for the loft-space. In his oral evidence, Mr Tarrant said he did not rely on this valuation.
45. In re-examination, Mr Tarrant said the lack of loft-extension comparables suggests that leaseholders of such flats "*stay put*". He could not recall when he was first instructed by the respondent. Mr Mitchell explained there had been a previous instruction, for a lease extension valuation, before the section 13 notice. However, the instruction to value the freehold came after the counter-notice.
46. On questioning from the Tribunal, Mr Tarrant suggested the HP would look globally at the value of the extended FFF, as well as considering the price per square foot. He accepted there was a ceiling price for large flats, past which a house becomes preferable. As to risk, he said the loft extension would be a "*vanilla conversion*" and is bound to happen sooner or later. The Judge pointed out that the original lease was granted back in August 1983 and the loft had not been extended in the 36 years to the valuation date. Mr Tarrant's answer was that loft extensions only become attractive once properties achieve a certain price point, past which they become financially viable.



## **The Tribunal's decision**

47. The Tribunal determines that the development value payable for the loft space is £5,750 (Five Thousand, Seven Hundred and Fifty Pounds).

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

48. The agreed valuation date is 26 September 2019. The issue for determination is what development value, if any, is payable for the loft-space on that date. In deciding this issue the Tribunal considered what sum the well advised and well informed HP would have paid. No doubt they would have inspected the loft and checked the planning history for the Property. They would also have checked if neighbouring properties had loft extensions (or planning permission for such extensions) and sought professional advice.
49. The Tribunal's starting point was to assess the habitable floor area of any extension. The evidence on both sides was flawed. Mr Cohen's width measurement of the loft was almost a metre less than the floor below, which is highly unlikely. He relied on Mr Mazin's figure of 26sm but this only covered the main loft room and not the en-suite. Mr Tarrant relied on a figure extrapolated from floor plans for 42A Handsworth Road but this assumes the roof pitch is the same for both properties, which is unlikely. He said he had measured the loft at the Property but no measurements appeared in his report.
50. Doing the best it can, on the limited evidence available, the Tribunal assessed the habitable floor area at 300sf. This represents Mr Mazin's figure of 26sm/268sf plus 32sf for a small en-suite. This would increase the size the FFF to 1,064sf. Applying Mr Tarrant's figure of £435psf would give a flat value of £462,840.
51. The Tribunal also considered the sale price achieved for 42A Handsworth Road. This is a good comparable as it is a three-bedroom, share of freehold flat with an en-suite in the loft, in a neighbouring street that sold very close to the valuation date. It is approximately 20% smaller than the extended FFF. Based on the agents' particulars in the bundle, it is superior in terms of location and condition. These advantages justify a downward adjustment of 5% but the larger size of the FFF justifies an upward adjustment of 10%. A net upward adjustment of 5% results in a value of £467,250.
52. Based on these figures, the Tribunal arrived at an extended flat value of £465,000, which is an uplift of £95,000.
53. The Tribunal disregarded the sale of 57A Dongola Road, as this sold nine months after the valuation date and had not been adjusted for time. Further, it only has two bedrooms and no en-suite. The terrace

house sales were of some limited assistance, as a sense check. A value differential of £60,000 plus is reasonable.

54. Based on a value uplift of £95,000 and conversion costs of £72,000, the potential profit is £23,000. The Tribunal accepts that this would be split equally between the freeholder and leaseholder. This means the freeholder could sell the loft to the leaseholder for £11,500. This sum can only be realised if the leaseholder wants to extend, obtains planning permission and then buys the loft. Planning is highly likely but is not guaranteed. Equally, there is no guarantee the leaseholder will want to extend and any sale of the loft could be years off. The HP would consider these risk factors when making a bid and would also build in a profit element. They would not pay the full £11,500, as they can only sell for this figure (on the valuation date). Further, they would not rely on future capital growth. Rather they would look at the price they could achieve, based on current values and then adjust for risk and profit. The Tribunal concluded that the appropriate deduction is 50%, which leaves development value of £5,750.

### **Summary**

55. The Tribunal has determined the development value of the loft-space at £5,750 and the parties have agreed the term and reversion values of the flats at £41,843 and £213, respectively. It follows that the total price payable for the freehold of the Property is £47,806 (Forty-Seven Thousand, Eight Hundred and Six Pounds).

**Name:** Tribunal Judge Donegan **Date:** 15 February 2021

### **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 Tribunal 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 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.

4. 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 of relevant legislation**

### **Leasehold Reform, Housing and Urban Development Act 1993 (as amended)**

#### **Section 1 The right to collective enfranchisement**

(1) This chapter has effect for the purpose of conferring on qualifying tenants of flats contained in premises to which this Chapter applies on the relevant date the right, exercisable subject to and in accordance with this Chapter, to have the freehold of those premises acquired on their behalf -

- (a) by a person or persons appointed by them for the purpose, and
- (b) at a price determined in accordance with this Chapter;

and that right is referred to in this Chapter as “the right to collective enfranchisement”.

(2) Where the right to collective enfranchisement is exercised in relation to any such premises (“the relevant premises”) -

- a) the qualifying tenants by whom the rights is exercised shall be entitled, subject to and in accordance with this Chapter, to have acquired, in like manner, the freehold of any property which is not comprised in the relevant premises but to which this paragraph applies by virtue of subsection (3); and
- (b) section 2 has effect with respect to the acquisition of leasehold interests to which paragraph (a) or (b) of subsection (1) of that section applies.

(3) Subsection (2)(a) applies to any property if at the relevant date either –

- (a) it is appurtenant property which is demised by the lease held by a qualifying tenant of a flat contained in the relevant premises; or
- (b) it is property which any such tenant is entitled under the terms of the lease of his flat to use in common with the occupiers of other premises (whether those premises are contained in the relevant premises or not).

(4) The right of acquisition in respect of the freehold of any of such property as is mentioned in subsection (3)(b) shall, however, be taken to be satisfied with respect to that property, if on the acquisition of the relevant premises in pursuance of this Chapter, either –

- (a) there are granted by the person who owns the freehold of that property –
  - (i) over that property, or
  - (ii) over any other property,

such permanent rights as will ensure that thereafter the occupier of the flat referred to in that provision has as nearly may be the same rights as those enjoyed in relation to that property on the

relevant date by the qualifying tenant under the terms of his lease; or

- (b) there is acquired from the person who owns the freehold of that property the freehold of any other property over which any such permanent rights may be granted.

(5) A claim by qualifying tenants to exercise the right to collective enfranchisement may be made in relation to any premises to which this Chapter applies despite the fact that those premises are less extensive than the entirety of the premises in relation to which those tenants are entitled to exercise that right.

(6) Any right or obligation under this Chapter to acquire any interest in property shall not extend to underlying minerals in which that interest subsists if –

- (a) the owner of the interest requires the minerals to be excepted, and
- (b) proper provision is made for the support of the property as it is enjoyed on the relevant date.

(7) In this section –

“appurtenant property”, in relation to a flat, means any garage, outhouse, garden, yard or appurtenances belonging to, or usually enjoyed with, the flat;

...

“the relevant premises” means any such premises as are referred to in subsection (2).

(8) In this Chapter, “the relevant date”, in relation to any claim to exercise the right to collective enfranchisement, means the date on which notice of the claim is given under section 13.

...

### **Section 13 Notice by qualifying tenants of claim to exercise right**

(1) A claim to exercise the right to collective enfranchisement with respect to any premises is made by the giving notice of the claim under this section.

(2) A notice given under this section (“the initial notice”) –

- (a) must
  - (i) in a case to which subsection 9(2) applies, be given to the reversioner in respect of those premises; and
  - (ii) in a case to which section 9(2A) applies, be given to the person specified in the notice as the recipient; and
- (b) must be given by a number of qualifying tenants of flats contained in the premises as at the relevant date which –
  - (i) ...

- (ii) is not less than one-half of the total number of flats so contained;

...

(3) The initial notice must -

- (a) specify and be accompanied by a plan showing –
  - (i) the premises of which the freehold is proposed to be acquired by virtue of section 1(1),
  - (ii) any property of which the freehold is proposed to be acquired by virtue of section 1(2)(a), and
  - (iii) any property over which it is proposed that rights (specified in the notice) should be granted in connection with the acquisition of the freehold of the specified premises or of any such property so far as falling within section 1(3)(a)

...

### **Section 21 Reversioner's counter-notice**

(1) The reversioner in respect of the specified premises shall give a counter-notice under this section to the nominee purchaser by the date specified in the initial notice in pursuance of section 13(3)(g).

(2) The counter-notice must comply with one of the following requirements, namely –

- (a) state that the reversioner admits that the participating tenants were on the relevant date entitled to exercise the right to collective enfranchisement in relation to the specified premises;
- (b) state that, for such reasons as are specified in the counter-notice, the reversioner does not admit that the participating tenants were so entitled;
- (c) contain such a statement as is mentioned in paragraph (a) or (b) above but stat that an application for an order under subsection (1) of section 23 is to be made by such an appropriate landlord (within the meaning of that section) as is specified in the counter-notice, on the grounds that he intends to redevelop the whole or a substantial part of the specified premises.

(3) If the counter-notice complies with the requirement set out in subsection (2)(a), it must in addition

- (a) state which (if any) of the proposals contained in the initial notice are accepted by the reversioner and which (if any) of those proposals are not so accepted, and specify –
  - (i) in relation to any proposal which is not so accepted, the reversioner's counter-proposal, and
  - (ii) any additional leaseback proposals by the reversioner;

- (b) if (in a case where any property specified in the initial notice under section 13(3)(a)(ii) is property falling within section 1(3)(b) any such counter-proposal relates to the grant of right or the disposal of any freehold interest in pursuance of section 1(4), specify –
  - (i) the nature of those rights and the property over which it is proposed to grant them, or
  - (ii) the property in respect of which it is proposed to dispose of any such interest, as the case may be;
- (c) state which interests (if any) the nominee purchaser is required to acquire in accordance with subsection (4) below;
- (d) state which rights (if any) any relevant landlord desires to retain–
  - (i) over any property in which he has any interest which is included in the proposed acquisition by the nominee purchaser, or
  - (ii) over which any property in which he has any interest which the nominee purchase is to be required to acquire in accordance with subsection (4) below,
 

on the grounds that the rights are necessary for the proper management or maintenance of property in which he is to retain a freehold or leasehold interest; and
- (e) include a description of any provision which the reversioner or any other relevant landlord considers should be included in any conveyance to the nominee purchaser in accordance with section 34 and Schedule 7.

...

**Section 24 Applications where terms in dispute or failure to enter contract**

- (1) Where the reversioner in respect of the specified premises has given the nominee purchaser -
  - (a) a counter-notice under section 21 complying with the requirement set out in subsection (2)(a) of that section, or
  - (b) a further counter-notice required by or by virtue of section 22(3) or section 23(5) or (6),

but any of the terms of acquisition remain in dispute at the end of the period two months beginning with the date on which the counter-notice or further counter-notice was so given, the appropriate tribunal may, on the application of either the nominee purchaser or the reversioner, determine the matters in dispute

(2) Any application under subsection (1) must be made not later than the end of the period of six months beginning with the date on which the counter-notice or further counter-notice was given to the nominee purchaser

...

## **SCHEDULE 6**

### **PURCHASE PRICE PAYABLE BY NOMINEE PURCHASER**

#### **PART II**

#### **FREEHOLD OF SPECIFIED PREMISES**

*Price payable for freehold of specified premises*

...

#### *Value of freeholder's interest*

- 3 (1) Subject to the provisions of this paragraph, the value of the freeholder's interest in the specified premises is the amount which at the relevant date that interest might be expected to realise if sold on the open market by a willing seller (with no person who falls within sub-paragraph (1A) buying or seeking to buy) on the following assumptions –
- (a) on the assumption that the vendor is selling for an estate in fee simple –
    - (i) subject to any leases subject to which the freeholder's interest in the specified premises is to be acquired by the nominee purchaser, but
    - (ii) subject also to any intermediate or other leasehold interests in the premises which are to be acquired by the nominee purchaser
  - (b) on the assumption that this Chapter and Chapter II confer no right to acquire any interest in the specified premises or to acquire any new lease (except that this shall not preclude the taking into account of a notice under section 42 with respect to a flat contained in the specified premises where it is given by a person other than a participating tenant);
  - (c) on the assumption that any increase in the value of any flat held by a participating tenant which is attributable to any improvement carried out at his own expense by the tenant or by any predecessor it title is to be disregarded; and
  - (d) on the assumption that (subject to paragraphs (a) and (b)) the vendor is selling with and subject to the rights and burdens with an subject to which the conveyance to the nominee purchaser of the freeholder's interest is to be made, and in particular with an subject to such permanent or extended rights and burdens as are to be created in order to give effect to Schedule 7
- (1A) A person falls within this sub-paragraph if he is –
- (a) the nominee purchaser, or



- (b) a tenant of the premises contained in the specified premises, or
- (ba) an owner of an interest in which the nominee purchaser is to acquire in pursuance of section 1(2)(a), or
- (c) an owner or an interest which the nominee purchaser is to acquire in pursuance of section 2(1)(b).

...