FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AW/OCE/0030**
Property	**:**	**51 Draycott Place, London SW3 3DD**
Applicants	**:**	**Mr Bahadir Erdem** **Mr Dominic Galvin** **Mr John Calani**
Representative	**:**	**Mr Jason Kallis- Solicitors**
Respondents	**:**	**Tarquin Management Limited** **Mr Mario Angiolini- Director-** **Not present and unrepresented**
Representative	**:**	
Type of application	**:**	**Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993**
Tribunal members	**:**	**Judge Monica Daley** **Mr Duncan Jagger FRICS**
Date of determination and venue	**:**	**Date at By Video Link- Property Tribunal**
Date of decision	**:**	**5 March 2024**

DECISION

Summary of the tribunal's decision

(1) The appropriate premium payable for the collective enfranchisement is **£23,929 (Twenty-Three Thousand Nine hundred and Twenty-Nine Pounds)**.

Background

1. This is an application made by the applicants, nominee purchasers/ qualifying tenants pursuant to section 24 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 51 Draycott Place, London SW3 3DD (the "property").

2. By a notice of claim dated 9 August 2022, served pursuant to section 13 of the Act, the applicant exercised the right for the acquisition of the freehold of the subject property and proposed to pay a premium of £8,900.00 for the freehold interest and £100.00 for the additional freeholds specified in the Notice.

3. On 16 October 2022, the respondent freeholder served a counter-notice admitting the validity of the claim and counter-proposed a premium of £187,500 for the freehold and £75,000 for the additional freehold interest specified in the lease.

4. On 14 February 2023, the applicant applied to the tribunal for a determination of the premium and terms of acquisition.

5. Although there was a joint inspection there was no agreed valuation report and the respondent did not subsequently provide his valuation report. Accordingly the tribunal has considered the agreed list of issues that has been produced.

The issues

Matters agreed

6. The following matters were agreed:

   (a) The subject property is a period Victoria mid-terraced house divided into 5 flats, on the lower, ground, first, second and third floors. The property is situated within the Sloane Square Conservation area, however the building itself is not listed.

   (b) The valuation date: 9 August 2022;

   (c) Details of the tenants' leasehold interests:

   (i) The Dates of leases and Terms of the leases:

   (ii) Flat 1 – 8 August 1989- 999 years

   (iii) Flat 3- 8 August 1989- 999 years

   (iv) Flat 4-8 August 1989- 999 years

   (v) Flat 5- 8 August 1990- 999 years

(vi) Terms of leases:

(vii) Ground rents:

(viii) Unexpired terms at valuation dates: Flat 1 – 966 years Flat 2 – 966 years, Flat 3 – 966, Flat 4 – 966 and Flat 5- 967;

(d) Ground rent: £125.00 per annum throughout the term for flats 1,3, 4 and 5. However, this rate was not agreed by the Respondent as being applicable for flat 2;

(e) Capitalisation of ground rent: 7% per annum; and

(f) Deferment rate: no reversionary value.

Matters not agreed

7. The following matters were not agreed:

(a) Development hope value; and

(b) The premium payable.

(c) The applicable ground rent for flat 2.

The hearing

8. The hearing in this matter took place on 30 & 31 January 2024, the hearing continued on to the 31 January 2024 due to technical difficulties. The applicants were represented by Mr James Kallis-Solicitor for the Applicants. The respondent was unrepresented and did not attend the hearing. The hearing was attended by all those parties who are listed above.

9. Prior to the hearing neither party asked the tribunal to inspect the property and the tribunal did not consider it necessary to carry out a physical inspection to make its determination.

10. The applicant relied upon the expert report and valuation of Matthew Price BSc MRICS of Associate Director, dated 12 January 2024. The respondent did not provide an expert report.

Preliminary Matters

11. Prior to the hearing Mr Angiolini (the director of the respondent company and the leaseholder of flat 2), applied for an adjournment of the hearing on the grounds of ill health, he also requested additional time in order to obtain representation. His request was refused. On 30 January 2024, he renewed his request by email. He continued to rely on the grounds of ill health and also on the grounds that he intended to instruct solicitors to represent him. However, he did not provide the Tribunal with any medical evidence in support of his application. He

did not attend the hearing and as a result the panel had to consider whether to proceed with the hearing in the absence of the respondent Mr Angiolini.

12. The Tribunal read and considered the application on behalf of the respondent. The Tribunal heard from Mr Kallis on behalf of the applicants, he told the Tribunal that there was a long history of non-compliance by Mr Angiolini, who often waited to the last minute to comply. He referred to the counter-notice which he stated was filed on 16 October 2023 (the last date for compliance). He referred to Mr Angiolini's response to the tenants' application for enfranchisement. In which he emailed them and stated -: "If... you still decide to go ahead [with the enfranchisement claim], it will become very personal and all three will gain a sworn enemy. Rationality and proportionality will not come into it and costs will be an irrelevance…" Mr Kallis asked the Tribunal to note in particular that the respondent had indicated that the costs both to himself and the applicants would be irrelevant, given this he was unlikely to be proportionate in dealing with this matter had had shown a disregard to the costs to the applicants.

13. Mr Kallis informed the Tribunal that Mr Angiolini was a barrister of some experience who had filed his own counter- notice and had displayed an understanding of the law which underpinned enfranchisement. Given this there was no reason to consider that he was disadvantaged in representing himself. So it was of concern that at this late stage he sought to adjourn to seek representation.

14. In respect of Mr Angiolini's health and his ability to attend the hearing and conduct his own representation, although he relied upon two distinct aspects of his health (his mental and his physical health), he had not provided any medical evidence in support.

15. Mr Kallis told the Tribunal that the respondent had rented his flat to tenants and that there had been issues with the respondent's tenant who had been arrested for drug dealing and this had been linked to the flat. The Tribunal was not provided with evidence of this allegation. The Tribunal was also referred to on-going difficulties that the tenants had in having repairs carried out at the property which the tenants could affect once the enfranchisement had taken place. Again the Tribunal noted that although Mr Kallis had made representations concerning this it did not have any additional evidence of these matters.

The decision of the Tribunal on whether to adjourn or proceed in the absence of Mr Angiolini director of the respondent company

16. The Tribunal considered rules 3 & 34 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. Rule 34 of the rules provides that " If a party fails to attend a hearing the Tribunal may

proceed with the hearing if the Tribunal is (a) satisfied that the party has been notified of the hearing or that reasonable steps have been taken to notify the parties of the hearing; and (b) considers that it is in the interest of justice to proceed with the hearing.

17. Rule 3 of the Tribunal rules require the Tribunal to deal with cases fairly and justly and to deal with the case in ways which are proportionate to the case and the complexity of the issue. Rule 3 also requires the Tribunal to avoid delay so far as is compatible with a proper consideration of the issues.

18. The Tribunal noted that the application was filed in February 2023, and given this the respondent had sufficient time to seek representation, the Tribunal noted that the respondent had instructed a surveyor who had carried out a joint inspection on the respondent's behalf however the respondent chose not to file a valuation report. There was no information before the Tribunal that the respondent had made contact with any potential representatives on his behalf, or that an adjournment would result in his being represented.

19. The Tribunal also noted that the respondent also sought an adjournment on the grounds of his ill health, however he had not provided the Tribunal with medical evidence to support his contention that he is unable to attend the hearing and represent himself.

20. The Tribunal in making its decision was careful to remind itself that although both parties had put forward information that information was not supported by further evidence and given this, the Tribunal made its decision on the submissions and evidence before it.

21. The Tribunal was also mindful that the Applicant's had professional witnesses who had been scheduled to attend on their behalf. It also noted that Mr Angiolini had put forward detailed submissions which were included within the bundle and that these submissions would be considered by the Tribunal in due course. The Tribunal noted that although a valuer had been instructed to carry out a survey on Mr Angiolini's behalf the respondent had chosen not to submit this survey as part of the evidence. The Tribunal had the advantage of having sight of Mr Price's valuation report, and although Mr Price had been instructed by the Applicant, he was aware of his duties to the Tribunal and his professional obligations, the Tribunal would be able to test his evidence.

22. The Tribunal was satisfied that it is appropriate and proportionate for the hearing to proceed in the absence of the respondent's representative. The Tribunal had expert evidence, and is also a professional tribunal who will be able to evaluate this evidence. Should the Tribunal consider that issues arise which could create potential unfairness to the respondent then the Tribunal could consider whether

at the point that any such issue arose an adjournment whether an adjournment was necessary.

The Hearing

23. Mr Kallis made submissions on the Applicants' behalf, he took the Tribunal to the updated office entry for the premises which showed that the absolute title was held by Tarquin Management Limited, he referred to the plan which was attached to the initial notice. Mr Kallis referred to the fact that the original leases were for a term of 999 years, he submitted that this had a significant effect on the premium to be paid on enfranchisement. He referred to the summary of the leases in the office copy entry.

24. He referred the Tribunal to the Notice and the fact that there was appurtenant land and the rights to be acquired. He said that this referred to small sections of two vaults under the pavement of the property . He told the Tribunal that the vaults were accessed from the freehold property although they extended to an area under the public pavement/highway.

25. The Tribunal was informed that the development value of the premises was contested. Mr Kallis told the Tribunal that to simplify the respondent's case there were two main areas, the loft above Ms Gholam's flat 5, both this and the vault were all within the freehold of the common part.

26. The Tribunal was referred to the definition of the common parts of the premises within the lease which stated that "the common parts" shall mean those parts of the property used or intended to be used or .enjoyed by the Tenants as a class and not included or to be included in any demise and including (and without prejudice to the generality of the foregoing) the entrance halls landings paths serving or leading to the various parts of the Property. passages and staircases ,of and in the property and ·the common basement area vaults access ways staircases and the vaults outside of the property."

27. Mr Kallis, stated that the respondent contested the vaults, he referred the Tribunal to the Counter Notice in particular the proposal was for the freehold title to the vaults under the pavement the notice stated that they should "be retained … insofar as it is not included in the registered freehold title. In the alternative, the notice proposed a lease back.

28. Mr Kallis referred to a of video which had been provided within the evidence of the vaults. He told the Tribunal that the cellar was empty and as such it could only be considered to be a storage area, the Tribunal was referred to a photograph which depicted a bin storage at

basement level. He noted that it was possible that the flat at the rear may have another similar area, however Mr Angiolini had not permitted an inspection to be made of this area.

29. He referred to the vaults which were accessible and noted that one of the leaseholders had asked for permission to store/rent one of the vaults for the use of an exercise bike. However the vaults had proved to be too small. Mr Kalles stated that they were approximately 1.5 metres and he referred to the video which had been provided. He stated that the vault also housed significant services for the building such as the electric and gas meters and the water stopcock. Given this there was a need for the tenants to be able to access the vaults and it was not practicable to grant a lease back. He referred to the price in the notice and the tenants proposed price for the additional freehold land.

30. In respect of the loft he submitted that the only person who such a development could benefit, was the tenant of flat 5 as she was the only one who had access to the roof area. He further referred to the fact that the building was in a conservation area, and given this such an extension was likely to be both expensive and restricted. He submitted that there was no evidence to support the respondent's suggested valuation of this neither was there any evidence provided by the respondent concerning the practicalities of such an extension or the costs. He referred the Tribunal to the planning report, which stated that no one had been able to undertake such a development in the conservation area.

31. In his Skeleton Argument Mr Kallis submitted at paragraph 9. That "…It appears that Mr Angiolini ascribes value to the ground rent payable under his lease, and to the grossed-up value of storage rents he says are always paid for vaults that are under the pavement or near/around the entrance to the basement flat. In response to these points the Applicant states as follows: a. Mr Angioloni relies on a deed he says varies his own long leasehold interest such that a ground rent of £999 a year has been paid by him to Tarquin since the date of that deed being 2 November 2020. This document is not registered, nor has it been disclosed, and is considered to be a sham. Regardless of whether it is or not it is not registered so unenforceable against a purchaser for value nonetheless. No evidence of payments being made have been provided by the Respondent. b. The Applicants do not agree that the vaults can be used for storage for the freeholder's benefit in any event, as in fact all tenants have a right under their leases to use the vaults."

32. He submitted that the vaults are common parts and that the relevant sections of each tenant's lease defines the vaults as common parts. He submitted that " Further, the vaults have almost always been guarded by a door without a lock until September 2022, when Mr Angiolini did work to lock at least one of them. He now claims that this vault has always been locked. In fact, this vault houses the electricity meter, and

the others, which are open, house tenants' bins. There has been no evidence provided of storage costs received, and even if such payments were received, historically, they should not have been (albeit the tenants do not recall any such use, certainly not regular use to the exclusion of others…"

33. Mr Kallis informed the Tribunal that there was a dispute concerning the outstanding service charges, the normal position was that such charges would be settled prior to the transfer, however he submitted that the transfer should be affected notwithstanding the outstanding service charges. Mr Kallis provided the Tribunal with a one paged extract, from a textbook, dealing with enfranchisements on this issue.

Evidence of Matthew Price- Valuer

34. The Tribunal heard from Matthew Price who explained the principles that he had applied in valuing the property for the purpose of enfranchisement. He explained that because the leases were for 999 years the reversionary value was zero. He stated that for the leases to obtain a reversionary value of £1.00, the property would have to be valued at One Billion pounds with leases of 420 years. However the normal value for a premises of this type in Sloane Square was approximately eight million, and the length of these leases meant that there was no reversionary value.

35. In respect of the capitalisation rate he had applied 7% which he stated was the rent to be applied for static rents. He noted the respondent's claim that the rent for flat 2 was significantly higher and that this was claimed to be as a result of a deed of variation from around 2020, however he noted that the deed had not been registered and appeared to be a sham.

36. In respect of the developmental value for the premises, he deferred to MZA Planning Consultants. However based on his own knowledge and experience, he set out that he did not consider there to be a realistic prospect of planning permission being granted for any type of building/extension above flat 5. In respect of a lateral extension of the mansard, whilst he acknowledged that there was a theoretical possibility. Mr Price informed the Tribunal that he believed that an at arm's length purchaser " a hypothetical purchaser of the freehold would not pay a premium in the form of a 'gambling chip' for the slight possibility of such a development.

37. In respect of the development of the vaults in his report at paragraphs 10.3 & 10.4 he stated that-: "Any conversion of the vault areas to residential accommodation would require the gas, electricity and bin storage to be relocated. The only hypothetical area for gas and electricity is the ground floor communal, internal entrance which would be highly impractical and would require the Applicants' consent.

There is nowhere else on the premises for the bins to be relocated to. 10.4 e stated-:" I believe that a hypothetical purchaser of the freehold would not pay a premium in the form of a gambling chip…"

38. In his evidence and in answer to Tribunal questions he remained of the opinion set out in his report, that it would not be possible to add a glass roof over the vaulted areas or enlarge the living room of flat 1 by enclosing the court yard.

39. Mr Price submitted that for the Appurtenant Land (common parts or gardens surrounding premises such as the communal entrance, corridors, steps and exterior steps down the vaults. In applying normal valuational practices the reasonable sum for this was £500.

40. At paragraph 14 of his report he set out how he arrived at the valuation figure of £9429.00 including the figure of £500.00 for the Appurtenant land.

41. He told the Tribunal that the only additional point he wished to set out was that he had not seen the respondent's flat. He believed that the cellar was underneath his flat and also Mr Galvin's which was at the rear, he stated that given this there was the possibility of a lease back in relation to the cellar that was underneath flat 1.

Mr Y Mwenza of MZA Planning- development of the roof and vaults

42. The Tribunal heard from Mr Mwenza, who had provided a report dated 7 August 2023, in his report he set out that although the premises was not listed it was within the Sloane Square conservation area, he referred to the Sloane Square Conservation Appraisal document at paragraph 5.7 which stated-: "Roof extensions that either stand alone in a group of unaltered roofs or that have different designs have a negative impact on the appearance of the buildings and the street scene."

43. He also referred to the Council's planning policy CL6 which was particularly relevant to small scale alterations and additions "The Council will require that alterations and additions do not harm the existing character and appearance of the building and its context. To deliver this the Council will resist small- scale development that a. harms the character or appearance of the existing building, its setting or townscape; b. results in a cumulative effect which would be detrimental to the character and appearance of the area; c. is not of high-quality form, detailed design and materials or is not discreetly located."

44. In his report he concluded that-: "It is considered that the proposal to add an additional floor to the building would be contrary to the

provisions of local plan policies CL1, CL2, CL6 and CL9 of the Kensington and Chelsea Local Plan. The main issue is that an additional floor would be at odds with the character of the existing property and terrace which is consistent in height. The proposal would stand higher than the existing roof level and be visible from long views from neighbouring roads. In addition to this the proposal would give the building a top-heavy and bulky appearance. It is therefore considered that a planning application to add an additional level to the building would not be supported by the Council and would be contrary to the local plan policies listed above. extensions."

45. Mr Mwenza was asked about the valuation report which included photographs of the frontage of the property. It was possible to see a property which had a roof development he stated that he could see that the chimney stack of one of the properties was raised, and it was possible that there were extensions behind the gable, however no roof top development could be seen from the road.

46. Mr Mwenza told the Tribunal that he had not visited the property but he could see that the building had been extended at nos. 49, it was clear that there had been a roof alteration but there was no increase in the height. He noted that CL6 required small scale developments to be subordinate to the host property and as such set back from the parapets. As the property was in the Sloane Square conservation area the bar was set particularly high in respect of the quality of the build. He was still of the opinion that planning permission would not be granted for such a development.

47. He was asked about the extent of his enquiries he stated that he had checked the planning register and that although there had been one application for number 49 it had been withdrawn.

48. He was asked about his opinion of the developmental value of the vaulted area. In respect of the bin storage area he noted that this would also require planning permission. Mr Mwanza noted that wholesale infilling of the vaulted area was most unusual. In respect of the basement/cellar any development would require it to be dug out. Accordingly he remained satisfied that the conclusions in his report were accurate and that planning permission would not be granted for the development of the roof or the vaulted area at basement level.

49. He was asked by the Tribunal about the potential lateral development for flat 5. Mr Mwanza accepted that there would be a benefit for flat 5 and that it would enlarge a double bedroom, however, he considered that the cost of the development would need to be considered by any hypothetical developer who would weigh the costs of such a development which would include planning consultancy against any potential profit, given this he considered that the chance of any development value was low.

50. In his conclusion Mr Kallis stated that it is proposed that the TR1 is amended, or a prior contract is put it place, to allow for a transfer to take place without the prior resolution of any service charge dispute, or any other proposed dispute between the freeholder and the participating tenants. He stated that the respondent had put in three applications post the Notice of Claim, which in his view were designed to frustrate and delay the transfer.

51. In closing Mr Kallis told the tribunal that the applicants sought a transfer on the terms set out in the transfer documents. He submitted in respect of the cellar and the vaults, that Section 38 of the Act applied and that they were not a unit in the definition of The Act. They had been used for storage; he told the Tribunal that although a door was now locked on one of the units which had not been the case prior to the Notice being served. He stated that the unit must exist prior to the relevant date and cannot be created later.

52. He set out that the Tribunal could grant a vesting order and a draft contract or could order the transfer with the landlord's interest protected by a lien.

53. Mr Kallis indicated that the Applicants wished to apply for an order for costs under regulation 13 of the First-tier (Property Chamber)Tribunal Regulations 2013. At the hearing the Tribunal set out that such an application should be made on notice.

Tribunal direction for an application under Regulation 13

54. Given this The Tribunal directs that (i)The Applicant's shall within 21 days of the date on the decision notify the Respondent of their intention to apply for an order under regulation 13, setting out the grounds. (ii)The Respondent shall respondent to any such notice within 21 days. Should a response be received, this matter shall be determined as a paper termination.

The tribunal's determination and the Reasons for the tribunal's determination

55. The Tribunal considered carefully all of the documentary evidence within the bundle of 168 pages, including the evidence of the Respondent and the evidence and submissions at the hearing it made its findings on the issues in dispute.

The ground rent

56. The Tribunal accepted the evidence of Mr Price, and Mr Kallis' submissions in respect of the ground rent. It noted that there was no evidence provided by the respondent for the increased ground rent for flat 2, the Tribunal therefore decided that the ground rent for each of the flats was £125.00 (one hundred and twenty-five pounds) per annum.

57. Accordingly the Tribunal finds that the rent reserved is £**625.00**.

58. The Tribunal accepted the evidence of Mr Price that the years reserved were 14.2857, the capitalisation rate is 7%. The Tribunal accepted that the premium to be paid for the value for the freehold was £**8929.00.** In this regard it was satisfied by the valuation put forward by Mr Price.

The value of the Appurtenant Land

59. The Applicant's had arrived at a value of £500.00, this was a nominal value and was in keeping with valuation principles, however, the Tribunal considered that this did not take into account the value of storage to the applicants for their own usage or that there was a value in having storage for bins which would be considered as a factor for a hypothetical purchaser for value.

60. The Tribunal also considered that such storage would be at a premium in the Sloane Square area given this the Tribunal considered that the vaults have a value over and above the normal nominal value paid. This includes the value of the vaulted areas including the bin store and the cellar, accordingly the Tribunal determined that this should be reflected in the value for the appurtenant land.

61. The Tribunal determine that the value of the Appurtenant land is **£5000.00**.

The development value of flat 5

62. The Tribunal accepted the evidence of both Mr Price and Mr Mwanza that the costs of any potential development of the roof at flat 5, would be beset with potential difficulties, and would in all possibility outweigh the potential value of the development. However, nevertheless it considered that a hypothetical developer would still consider paying a sum which would represent the possibility that planning permission might be granted for a lateral extension, which would increase the value of flat 5,

significantly. Given this the Tribunal considered that they would pay a sum which represents a gambling chip which the Tribunal accessed at **£10,000**.

63. Accordingly the Tribunal determined that the sum of **£10,000** should be paid for the development value.

The terms of the Transfer

64. The Tribunal were informed that there was an on-going dispute concerning the service charges and that the respondent had issued three applications, however these applications were not part of the issues that this tribunal has been asked to decide.

65. The Tribunal has considered the terms of the draft contract the Tribunal is satisfied that the terms of the draft transfer are appropriate. However given the outstanding service charge dispute which has not been quantified in any way before the Tribunal. The Tribunal is not satisfied that it has the power to grant a transfer without a vesting order, and given this the applicants will should the service charges remain unresolved, apply to the court for a vesting order on the terms set out in the draft which are approved by the Tribunal.

The premium

66. The tribunal determines the appropriate premium to be **££23,929**. The valuation of the Freehold Current Interest is in accordance with Mr Price's calculations.

Name: Judge Daley **Date:** 5.03.2024

Appendix: Valuation setting out the tribunal's calculations

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

The Law

Section 24 of the

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 of 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.

(3)Where—

(a)the reversioner has given the nominee purchaser such a counter-notice or further counter-notice as is mentioned in subsection (1)(a) or (b), and

(b)all of the terms of acquisition have been either agreed between the parties or determined by **[**F2the appropriate tribunal**]** under subsection (1),

but a binding contract incorporating those terms has not been entered into by the end of the appropriate period specified in subsection (6), the court may, on the application of either the nominee purchaser or the reversioner, make such order under subsection (4) as it thinks fit.

(4)The court may under this subsection make an order—

(a)providing for the interests to be acquired by the nominee purchaser to be vested in him on the terms referred to in subsection (3);

(b)providing for those interests to be vested in him on those terms, but subject to such modifications as—

(i)may have been determined by the appropriate tribunal, on the application of either the nominee purchaser or the reversioner, to be required by reason of any change in circumstances since the time when the terms were agreed or determined as mentioned in that subsection, and

(ii)are specified in the order; or

(c)providing for the initial notice to be deemed to have been withdrawn at the end of the appropriate period specified in subsection (6);

and Schedule 5 shall have effect in relation to any such order as is mentioned in paragraph (a) or (b) above.

(5)Any application for an order under subsection (4) must be made not later than the end of the period of two months beginning immediately after the end of the appropriate period specified in subsection (6).

(6)For the purposes of this section the appropriate period is—

(a)where all of the terms of acquisition have been agreed between the parties, the period of two months beginning with the date when those terms were finally so agreed;

(b)where all or any of those terms have been determined by **[**F4the appropriate tribunal**]** under subsection (1)—

(i)the period of two months beginning with the date when the decision of the tribunal under that subsection becomes final, or

(ii)such other period as may have been fixed by the tribunal when making its determination.

(7)In this section “the parties” means the nominee purchaser and the reversioner and any relevant landlord who has given to those persons a notice for the purposes of paragraph 7(1)(a) of Schedule 1.

(8)In this Chapter “the terms of acquisition”, in relation to a claim made under this Chapter, means the terms of the proposed acquisition by the nominee purchaser, whether relating to—

(a)the interests to be acquired,

(b)the extent of the property to which those interests relate or the rights to be granted over any property,

(c)the amounts payable as the purchase price for such interests,

(d)the apportionment of conditions or other matters in connection with the severance of any reversionary interest, or

(e)the provisions to be contained in any conveyance,

or otherwise, and includes any such terms in respect of any interest to be acquired in pursuance of section 1(4) or 21(4).

CASE REFERENCE LON/00AC/OLR/2014/0106

First-tier Tribunal
Property Chamber (Residential Property)

Valuation under Schedule 6 of the Leasehold Reform Housing and Urban Development Act 1993

Premium payable for the freehold interest in [Property]

Valuation date: [Date]