



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

Case reference : **LON/00BH/OCE/2024/0037**

Property : **119 Forest Road, London E17 6HF**

Applicants : **(1) Nana Akwasi Yeboah
(2) Rosina Joyce Osei-Owusu Bonsu**

Representative : **and
(3) Steven Christopher Shotton**

Respondent : **Streathers Solicitors LLP**

Representative : **N/A**

Type of application : **Section 26 of the Leasehold Reform,
Housing and Urban Development Act
1993 – missing landlord**

Tribunal members : **Judge Tagliavini
Mr Kevin Ridgeway MRICS**

Hearing : **10 Alfred Place, London WC1E 7LR**

Date of decision : **22 July 2025**

DECISION

Summary of the tribunal's decision

- (1) The appropriate premium payable for the collective enfranchisement is **£69, 900** as per the valuations attached.
 - (2) The tribunal approves the terms of the TR1 subject to the premium above.
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Background

1. This is an application made by the qualifying tenants pursuant to section 24 of the Leasehold Reform, Housing and Urban Act 1993 ('the 1993 Act') for a determination of the premium to be paid for the collective enfranchisement of **119 Forest Road, London E17 6HF** ('the property') a terraced house converted into two flats.
2. The leases for the Ground Floor Maisonette (first and second applicants) and First Floor Maisonette (third applicant) at the property are both for a term of 99 years from 15 November 1985 and 22 August 1985. . The applicants collectively wish to exercise their right to acquire the freehold of the property in the name of Nana Akwasi Yeboah ('the Nominee Purchaser'), at a price to be determined in accordance with the 1993 Act.
3. The freehold interest in the Specified Premises is registered at the Land Registry under Title Number EG1123907. The registered proprietor is the Defendant, Abdul Qayyum, whose last known address is 119 Forest Road, Walthamstow, London E17 6HF.
4. A Vesting Order was made on 30 November 2023 by District Judge Hussain sitting at the County Court at Edmonton (subsequently amended on 28 August 2024 by DJ Hussein to correctly record the first, second and third applicants) and the following Order made:

By virtue and in accordance with s27 of the act and this order the freehold shall vest in the First Claimants on such terms as shall be determined by the First Tier Tribunal (Property Chamber) ("the Tribunal) to be appropriate with a view to the interests being vested in the First Claimant in like manner (so far as the circumstances permit) as if the claimants had, at the date of their claim, given notice under s 13 in relation to the specified premises.

5. The application was subsequently transferred to the tribunal and directions given for the determination of the premium payable.

The hearing

1. The hearing in this matter took place on 22 July 2025 by way of a paper determination having regard to the bundle of 474 digital pages and a supplementary bundle of 36 pages both provided by the applicants. The respondent did not provide any written or other documentary evidence. 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.
2. The applicants relied upon the expert report and valuation of Tom Dogger MNAEA/Assoc RICS of BN Surveyors dated 13 March 2024 and which stated a collective enfranchisement of £66,700 is payable by the applicants.
3. In his report Mr Dogger correctly stated the valuation date as 25 January 2023 although incorrectly stated the valuation date as 05/01/2023 in his valuation. In his report Mr Dogger stated:

Value of Flat on its Existing Lease

To calculate the marriage value, we are required to value the existing lease in a hypothetical, 'No Act' world where there are rights to buy the Freehold. This depresses the value, making it lower than the open-market value, which is based on the ability to acquire the Freehold.

Obviously, there is no market evidence to support such a hypothetical value. Therefore, valuation surveyors adopt relativity to calculate the freehold value. This results in the higher the relativity, the smaller the gap between the existing lease value and the extended lease value, which has a direct correlation in reducing the amount of marriage value payable.

There are various cases currently under review via the Upper Tribunal. This is centred on a case known as Sloane Stanley v Mundy.

This has promoted the best guide to assess the existing lease value and parallel relativity, to be based on the open market sale value of the subject property, close to the date of valuation, with the adjustments highlighted earlier in this report, for the benefit of the Act.

The Gerald Eve 1996 graph of relativity was deemed the best available for Prime Central London in this case, although the Upper Tribunal commented that it was most likely this graph overstated the correct relativity.

We have noted that as a result of the Sloane Stanley v Mundy case, Gerald Eve LLP have reviewed their graph of relativity. Savills PLC also produced a revised graph of relativity within their published report '2015 Enfranchisable Graph of Relativity'. It is this graph of relativity that we will be using for the purpose of this valuation. This would state a relative value for an unexpired lease term in the region of 61.62 & 61.85 years being 79.00%.

Interest Rates

Interest Rates form part of the negotiation to calculate both the capitalisation of the Ground Rent and the Reversionary Interest of the lease. These are known as the 'capitalisation rate' and 'deferment rate.' The higher the interest that can be adopted, the lower the premium will be.

A historic Land Tribunal case known as Cadogan V Sportelli established a Freehold deferment rate of 5% for flats in Prime Central London. The case was referred to the Court of Appeal and the House of Lords, being subsequently upheld.

This has been subject to scrutiny relating to a Land Tribunal decision under the case Nailrile. This focused on the capitalisation of the rent being subject to the overall value of the Superior Leaseholders interest once a lease had been extended.

In essence, if this superior lease continued to have a neutral or positive value post statutory extension, then a traditional dual rate would apply. However, if it had a negative rate, a much lower single rate applies.

As highlighted above, The Upper Tribunal passed judgement that the deferment rate for reversions of less than five years, should be the net rental yield that the evidence shows to be appropriate for the property in question. In addition, there must be an end allowance, which in the absence of setting some other percentage should be 5%.

The tribunal's determination

4. The tribunal determines that the premium payable is £69,900 by the applicants .

Reasons for the tribunal's determination

4. In reaching the figure of £69,000, the tribunal have used there expert knowledge to value the two flats at the valuation date of 25/01/2023 as: Ground Floor Flat: £235,000 and the First Floor Flat: £290,000.
5. The tribunal undertook a slightly more detailed valuation than that carried out on behalf of the applicants. This included the Capitalisation of the Ground Rent, a correction of the Valuation Date used in the valuation by the applicants' surveyor (although it was correctly stated in his report),as well as revised Market Values at the valuation date, as mentioned above.

Name: Judge Tagliavini

Date: 22 July 2025

Appendix: Valuations setting out the tribunal's calculations attached

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).