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

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| **Case reference** | : | **LON/00BH/OLR/2025/0795** |
| **Property** | : | **43 & 43A Hainault Road Leytonstone, London E11 1EB** |
| **Applicants** | : | **1. Marianne Joy Dear (Leaseholder)**<br>**2. Shauna Frances Gale (Leaseholder)**<br>**3. Mark Gale (Leaseholder)** |
| **Representative** | : | **Foskett Marr Gadsby Head LLP (Solicitors)** |
| **Respondent** | : | **Mohammed Imran Dowlut (Freeholder)** |
| **Representative** | : | **None** |
| **Interested Party** | : | **None** |
| **Type of application** | : | **To determine the premium payable under Schedule 6 as compensation to the landlord, arising from a collective application to purchase the freehold under S.50 (missing landlord) of the Leasehold Reform Housing and Urban Development Act 1993 (“the Act”)** |
| **Tribunal** | : | **Mr N. Martindale FRICS** |
| **Venue** | : | **10 Alfred Place, London WC1E 7LR** |
| **Date of decision** | : | **30 September 2025** |

# DECISION

## Decision

The premium to be paid by the applicant to the respondent missing landlord for the freehold of the Property is **£12,600 (twelve thousand and six hundred pounds).** The Tribunal approves this figure. The Court retained the power for determination of all other terms of the draft transfer filed.

The applicants' costs are to be deducted from this premium figure but, the applicants' unpaid rent up to the AVD are to be added to this premium figure.

## Introduction

1. The applicant and their advisors are reminded of the need to comply with Tribunal Directions. The potential consequences of a failure to do so were noted at paragraph 12, which included the dismissal of an entire application under Rule 9 of the Tribunal Procedure (First tier Tribunal) (Property Chamber) Rules 2013.

2. In this case the applicant failed to provide documents to a minimum size of 12 point typeface, in particular the valuation schedule at or around PdF p.145 which made it illegible. This was the key document in the whole bundle of some 200No. A4 pages. The Tribunal requested a further properly enlarged printed copy be provided, so that it could complete its work. The applicant's advisors are invited to take careful note for future bundle preparation. This action delayed the decision by about a month.

3. This case concerns an application made under Section 27 of the Leasehold Reform Housing and Urban Development Act 1993 ("the Act") for a transfer of the freehold of the Property. This determination is of the premium to be paid by the applicant leaseholders to the freeholder of the Property. The relevant legal provisions are set out in the Appendix to this decision.

4. The First Second and Third applicants are each the long leaseholders of the two self contained purpose built flats at the Property, held under the terms of two leases which cover the entirety of the freehold.

5. The key lease terms for each flat are similar and are co-terminus: No.43A term of 155 years from 24 June 1958 ending 23 June 2113 at fixed rent of £5.25 pa. No.43 term of 125 years from 29 July 1988 at rising rents of £100 pa initially (now expired), of £150 pa for the now 29.44 years, £200 pa for the next 33 years; £250 pa for the last 26 years.

6. Both titles are registered derived from the superior freehold title EGL 207465 for 43 & 43A. Flat 43A Ground Floor on leasehold title EGL261347. Flat 43 First floor on leasehold title EGL 183674.

7. The claim issue date and the valuation date for this application at County Court to vest the freehold jointly in the leaseholder applicants is 30 October 2024. Despite this, the Valuation report is dated 21 February 2025 presumably based on the incorrect date having been given to the Valuer by the applicant's solicitor.

8. The lease of each flat had in excess of 80 years to run and therefore all being in excess of the 80 year cap, no marriage value of the merger of interests was to be included in the premium payable, simply a term (the remainder of the lease) and the later reversion at lease end deferred to that lease end.

9. The Property is an Edwardian pair of purpose built flats of traditional construction; brick faced walls, tiled double pitched main roof over both. It is in a long established residential area of Leytonstone near to a small industrial estate and other minor commercial units, in LB Waltham Forest. Either side and opposite are similar pairs of purpose built and/ or converted former houses often in the 1980's and 1990's. The local Leyton Midland rail line is also very nearby.

10. Under the Order for application L03ED060, issued 21 February 2025 by the County Court at Edmonton by District Judge Cohen, the respondent's freehold was vested jointly in the three applicants, in accordance with section 26 and 27 of the Act.

11. The Tribunal's jurisdiction is derived from the vesting order issued by the Court above which referred the form of transfer and determination of the premium to the Tribunal. The Tribunal considered the issue on the papers submitted by the applicants, without a hearing. The Tribunal was required to determine the premium, only.

## Statutory basis of valuation

12. The price to be paid for the freehold, according to Schedule 6, Part II of the Leasehold Reform, Housing and Urban Development Act 1993, *shall include:* income received from ground rents (the term); reversionary value of the freehold on expiry of the leases (the reversion); the marriage value of other interests; injurious affection (compensation for other losses). The marriage value is taken as the latent increase in value arising from the joining of the freehold and leasehold interests and the Act requires that this potential profit shall be shared between the parties. The proportion of the split of marriage value is fixed by the legislation at a 50:50 division between the landlord and the RTE company or in this case the leaseholder applicants.

13. The value of the freehold interest is the amount which, at the valuation date, that interest might be expected to realise if sold in the open market subject to the tenancy by a willing seller (with the nominee purchaser, or a tenant of premises within the specified premises or an owner of an interest in the premises, not buying or seeking to buy) on the assumption that the tenant has no rights under the Act either to acquire the freehold interest or to acquire a new lease.

## Applicants' Case

14. The applicants provided a valuation report dated 23 July 2025 by Christian Dadd BSc (Hons) MRICS, RICS Registered Valuer, of Messrs Clarke Hillyer Chartered Surveyors (the "Valuation Report"). The report contains a formal Statement of Truth confirming that in so far as the facts stated in the report are within his own knowledge, that he believes them to be true and includes a statement of compliance confirming that they understand their duty to this Tribunal.

15. Having considered the contents of the Valuation Report and the opinions expressed in that report the Tribunal is broadly satisfied that the method adopted is appropriate to determine the enfranchisement price for the Property. The Tribunal accepts the description of the property and its location as stated in the Valuation Report.

16. From the details of the exterior and interior of the Property included in the Valuation Report. The Tribunal did not consider it necessary or proportionate to carry out an inspection of the Property.

## Valuation

17. According to the Valuation Report, the Property is on two levels, a pair of purpose built flats, traditionally constructed, with brick walls and of late with slate tiles to a double pitched main roof. The Property originally dated from the Edwardian period.

18. Details of any tenants improvements to any of the individual flats, the value of which might be discounted in this transfer were not provided. Accordingly the Property consisting of the two purpose built flats are valued as they stood at 21 February 2025, rather than at the AVD October 2024, when the claim was filed and issued.

19. The Tribunal concludes that by taking an AVD about 4 months later than the date of issue has resulted in a slight over valuation of the freehold interest. This is because the two terms being incorrectly assumed slightly shorter results in the key element value (the deferred freehold vacant possession value) being marginally higher than it would be at the AVD. This being if anything marginally in favour of the missing landlord, the Tribunal is content.

20. At Flat 43A the ground floor flat, the accommodation comprised; ground floor hallway, living room, kitchen, bathroom/wc and 1 bedrooms off. There was said to be full gas fired central heating and water and uPVC frames holding double glazed units. Access to the flat was via a short external footpath part shared with the other flat from the street across a small shared front garden. There is no off street parking. All mains services are available at the Property. This flat had been owner occupied and was sold in good condition.

21. At Flat 43 the first floor flat, the accommodation comprised; first floor hallway, living room, kitchen, bathroom/wc, 2 bedrooms and study room off. There was said to be full gas fired central heating and water and uPVC frames holding double glazed units. The flat used the same shared pedestrian access from the public road. There is no off street parking. It is significantly larger in floor area than the lower flat. All mains services are available at the Property. This flat had been let out and was in fair condition.

22. The Valuation Report referred to the recent sales, including a very recent one of the ground floor flat with the existing lease, around the valuation date. Generally from sales particulars of those sold they were in good condition. Theses were self contained purpose built or converted flats within former houses of late Victorian or Edwardian periods. The Valuation Report did not include the relevant extracts from HMLR records to support the sales details in each case.

23. For each comparable the Valuation Report made adjustments for several factors including some of the following: The floor area, date of sale, the tenure, floor level and apparent condition. The Tribunal is content with the number, identity, direction and extent of the adjustments made to all comparables. The comparable sales provided in the Report, are set out briefly below.

24. The pair of flats is near the Leyton Midland rail line but also to the rail station. There are some commercial buildings also nearby which may give rise to additional nuisance, different from that arising from residential properties.

25. The Report also referred to market trends from the recent RICS survey findings.

26. **43A Hainault Road E11** (GF) – (Also one of the parts of the Property), sold May 2025 leasehold for £380,000. A Ground floor 1 bedroom purpose built flat, very small garden, good condition, affected by commercial uses and the rail line.

27. **37 Hainault Road, E11** (GF) - February 2025 (STC) £420,000 1 bedroom purpose built flat. A very small garden, also affected

commercial uses and the rail line. Same type and size as the subject. Larger rear garden, newly refurbished, share of freehold with 999 year lease.

28. **31 Hainault Road, E11** (GF) - August 2024 £490,000 2 bedroom purpose built flat. Same type and size as the subject. Larger landscaped rear garden, very good condition, affected by commercial uses and the rail line on a 999 year lease.

29. **283 Francis Road, E10** (GF) - July 2024 £463,260. 1 bedroom purpose built flat. Same type and size as the subject. Larger rear garden, good condition. Quieter residential street further from commercial uses. Extended.

30. **580 High Road, E10** (FF) - November 2024 £450,000. 2 bedroom purpose built flat. Same type and size as the subject. Larger rear garden, good condition. Located on a main road close to the junction with Hainault Road. Extended lease.

31. **95 Scotts Road, E10** (FF) - December 2024 £530,000 First floor 2 bedroom purpose built flat. Same type and size as the subject. Larger rear garden, excellent condition. Quieter residential street. Extended lease. Not near commercial uses.

32. On application of the range of values derived from an analysis of these five comparable sales and one pending sale at the time of the Report, the Valuer concluded the range of values as: £380,000 - £460,000 encompassing the smaller ground floor flat and the larger first floor flat. Reflecting the condition and location of the ground floor is valued at £380,000.

33. On application of the range of values derived from an analysis of these five comparable sales and one pending sale the Valuer concluded the range of values as: £450,000 - £530,000 encompassing the smaller ground floor flat and the larger first floor flat. Reflecting the condition, size and location of the first floor is valued at £420,000.

34. The Tribunal is satisfied with the relevance and details of the five completed and one sale subject to contract transactions. In the analysis of comparable sales the Tribunal accepts the conventional 1% uplift differential between long leaseholds and freeholds as adopted in the Valuation Report. All leases having more than 80 years unexpired any marriage value from the merger of interests here is required to be ignored as the Report does.

35. The value of the landlord's interest in each flat at the Property is therefore represented first by the capitalised value of the ground rent receivable under each lease. That income stream is capitalised in the

Report at 8%, which the Tribunal accepts is appropriate in a case where the rent is at a low though rising level: And secondly by the deferred capital receipt by the landlord at lease end Such values are derived using a deferment rate of 5% yield, following Sportelli.

36. The Tribunal is content the 8% for the term and the 5% for the deferred capital receipt as adopted in the Valuation Report here. Lastly the Tribunal notes that the Report makes no addition of any nominal sum as there is no scope for additional attributable Valuer, with which the Tribunal accepts.

37. Though there are no reports of any sums accruing as owed by one or more of the applicant leaseholders, any small elements of unpaid ground rents from the start of each lease, must be added by the Court to the premiums due. The applicants should formally certify details to the Court of any and all rents due to the landlord but, unpaid, up to the AVD. These sums must be added to the overall premium paid.

38. The Tribunal is content with the valuations of the interests here as presented in the Valuation Report for each element. In view of this the Tribunal does not provide its own valuation.

39. The premium to be paid by the applicants for the freehold interest in the Property is therefore **£12,600 (twelve thousand, six hundred pounds).** The applicants' costs are to be deducted from this premium figure and the applicant's unpaid rent up to the AVD, are to be added to this premium figure. This matter is now passed back to the Court for consideration and approval of the transfer.

**Name: Neil Martindale Date: 30 September 2025**

# Appendix

## Leasehold Reform Act 1967

### Section 27 Enfranchisement where landlord cannot be found

(1) Where a tenant of a house having a right under this Part of this Act to acquire the freehold is prevented from giving notice of his desire to have the freehold because the person to be served with the notice cannot be found, or his identity cannot be ascertained, then on an application made by the tenant the court may, subject to and in accordance with the provisions of this section, make such order as the court thinks fit with a view to the house and premises being vested in him, his executors, administrators or assigns for the like estate

and on the like terms (so far as the circumstances permit) as if he had at the date of his application to the court given notice of his desire to have the freehold.

(2) Before making any such order the court may require the applicant to take such further steps by way of advertisement or otherwise as the court thinks proper for the purpose of tracing the landlord; and if after an application is made to the court and before the house and premises are vested in pursuance of the application the landlord is traced, then no further proceedings shall be taken with a view to the house and premises being so vested, but subject to subsection (7) below—

(a) the rights and obligations of all parties shall be determined as if the applicant had, at the date of the application, duly given notice of his desire to have the freehold; and

(b) the court may give such directions as the court thinks fit as to the steps to be taken for giving effect to those rights and obligations, including directions modifying or dispensing with any of the requirements of this Act or of regulations made under this Act.

(3) Where a house and premises are to be vested in a person in pursuance of an application under this section, then on his paying into court the appropriate sum there shall be executed by such person as the court may designate a conveyance in a form approved by the court and containing such provisions as may be so approved for the purpose of giving effect so far as possible to the requirements of section 10 above; and that conveyance shall be effective to vest in the person to whom the conveyance is made the property expressed to be conveyed, subject as and in the manner in which it is expressed to be conveyed.

(4) For the purpose of any conveyance to be executed in accordance with subsection (3) above, any question as to the property to be conveyed and the rights with or subject to which it is to be conveyed shall be determined by the court, but it shall be assumed (unless the contrary is shown) that the landlord has no interest in property other than the property to be conveyed and, for the purpose of excepting them from the conveyance, any underlying minerals.

(5) The appropriate sum which, in accordance with subsection (3) above, is to be paid into court is the aggregate of—

(a) such amount as may be determined by (or on appeal from) the appropriate tribunal to be the price payable in accordance with section 9 above; and

(b) the amount or estimated amount (as so determined) of any pecuniary rent payable for the house and premises up to the date of the conveyance which remains unpaid.

(6) Where a house and premises are vested in a person in accordance with this section, the payment into court of the appropriate sum shall be taken to have satisfied any claims against the tenant, his executors, administrators or assigns in respect of the price payable under this Part of this Act for the acquisition of the freehold in the house and premises.

**Section 9 Purchase price and costs of enfranchisement**

(1) Subject to subsection (2) below, the price payable for a house and premises on a conveyance under section 8 above shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, (with the tenant and members of his family . . . not buying or seeking to buy) might be expected to realise on the following assumptions:—

(a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy but on the assumption that this Part of this Act conferred no right to acquire the freehold, and if the tenancy has not been extended under this Part of this Act, on the assumption that (subject to the landlord's rights under section 17 below) it was to be so extended;

(b) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges . . . to which section 11(2) below applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances; and

(c) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10.