



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

Case reference	:	LON/00AW/OCE/2025/0027
Property	:	27 Collingham Place, London, SW5 0QF
Applicant	:	27 Collingwood Place (Freehold) Limited
Representative	:	Mr A Cohen MRICS from Talbot Surveyors
Respondent	:	Aldersgate Residential No.2 Limited
Representative	:	Mr R Sharp BSc FRICS
Type of application	:	Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal members	:	Tribunal Judge I Mohabir Mr K Ridgeway MRICS
Date of decision	:	27 October 2025

DECISION

Summary of the Tribunal's decision

- (1) The appropriate premium payable for the collective enfranchisement is **£2,357** plus **£100** for appurtenant land.

Background

1. This is an application made by the Applicant nominee purchaser 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 27 Collingham Place, London, SW5 0QF (the "property").
2. The freehold interest in the property is held by the Respondent. It is subject to a head lease dated 23 September 1965 for a term of 999 years from 25 December 1952. It is currently held by Charles Vyvyan Rupert Carey Morgan ("the intermediate lease"). In turn, it is subject to the long residential leases granted in respect of the 4 flats that comprise the building, two of whom participate in seeking to collectively enfranchise. Mr Morgan is, therefore, the intermediate landlord.
3. By a notice of a claim dated 15 May 2024, 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 £2,000 for the freehold, £1,000 for the appurtenant land and £14,000 for the intermediate head lease.
4. On 23 July 2024, the Respondent freeholder served a counter-notice admitting the validity of the claim and counter-proposed a premium of £3,645 for the freehold., a further sum of £160,000 for "hope value" and £28,000 for the intermediate head lease.
5. It should be noted that on 15 September 2024, the intermediate landlord, Mr Morgan, separately agreed with the Applicant that a sum of £17,003 was payable for the head lease.
6. On 21 January 2025, the Applicant applied to the Tribunal for a determination of the premium and terms of acquisition.

The issues

Matters agreed

7. The matters agreed are set out in the statement of agreed facts found at page 137 in the hearing bundle. As these are self-evidence, they do not need to be set out again here. The Tribunal as told that the terms of the Transfer had also been agreed by the respective solicitors.

Matters not agreed

8. The following matters were not agreed:
- (a) Capitalisation rate;
 - (b) Development hope value; and
 - (c) The premium payable.

The hearing

9. The remote video hearing in this matter took place on 7 October 2025. The Applicant was represented by Mr Cohen MRICS both as advocate and its valuer. The Respondent was similarly represented by Mr Sharp BSc FRICS.
10. 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.
11. The Applicant relied upon the expert report and valuation of Mr Cohen dated 15 September 2025 and the Respondent relied upon the expert report and valuation of Mr Sharp dated 16 September 2025.

Capitalisation Rate

12. As the Tribunal understands it, Mr Sharp argued that capitalising the ground rent on an “all risks yield” was not appropriate because it would not properly represent the potential rising value of the freehold interest because the site was not fully developed. He, therefore, contended for a rate of 5.5%.
13. The Tribunal considered the basis on which Mr Sharp valued the income stream from the ground rents payable was incorrect. This had to be valued as at the valuation date, not on the basis of any potential increase in the freehold interest that might arise from the site being developed further.
14. In addition, the Tribunal preferred the arguments of Mr Cohen that the ground rent income would not be attractive to a purchaser because it was fixed at £165 for the entire unexpired term of 927 years and would only offer a token return.
15. Furthermore, because there is no provision for a rent review or indexation under the residential leases, the ground rent income would in real terms remain static and, in real terms, fall in value assuming a 4% inflation rate. Over the term of the intermediate lease, the fall in income would compound significantly. Therefore, a hypothetical

investor would not view this as providing little or no prospective growth or meaningful yield over time.

16. Accordingly, the Tribunal determined that the appropriate capitalisation yield rate to be applied for the ground rent is 7%, as contended for Mr Cohen, resulting in a value of £2,357.
17. The Tribunal also accepted Mr Cohen's submission that the market value of the flats has no value because the freehold reversion would not fall due for 927 years, being the unexpired term of the intermediate lease, and was too remote to have any discernible value. Therefore, the prospect of vacant possession or redevelopment was entirely theoretical.
18. The Tribunal also accepted Mr Cohen's submission, for the same reasons, there is no need to apply any deferment rate for the freehold reversion.

Hope Value

19. Mr Sharp submitted that the value of the freehold interest was increased by the potential development of:
 - (a) Enlarging the envelope of the top floor flat, lifting the Mansard roof and authorising the use of the rear balconies.
 - (b) "Regularising" the use of the first floor flat (Flat 3) balcony.
 - (c) Extending the ground and lower ground flats towards the ear boundary with possible side and basement excavation.
 - (d) Making use of the store/vault for bike storage.
 - (e) Alternative use for the property.
20. Subject to any nominal value for the use of the store/vault at the front of the property for storage, the Tribunal was satisfied that none of Mr Sharp's arguments had any real merit. They were no more than mere assertions made by him. What became abundantly clear in cross examination by Mr Cohen was that Mr Sharp had not carried out any enquiry about the feasibility of obtaining any required planning consents or the estimated cost of developing the property as he suggested. The mere fact that adjacent properties at 25 and 29 Collingwood Place had historically been extended in a limited way was not a basis for suggesting that the subject property could be developed in a more extensive way as he proposed. It was a matter of complete speculation so as to be discounted by the Tribunal.

21. Moreover, the Tribunal was satisfied that Mr Sharp had completely ignored the fact that the freehold interest was subject to the unexpired term of 927 years for the intermediate head lease and, therefore, there was no realistic possibility of a prospective purchase being able to develop the property in the way he suggested and the freehold reversion had no real value.
22. Specifically, the Tribunal accepted Mr Cohen's arguments that the extension of the lower ground floor was not feasible because the landlord could not demand a premium for granting consent to do so by operation of section 19(2) of the Landlord and Tenant Act 1927 and that the lessee was not participating in the collective enfranchisement and had shown no interest in extending the flat.
23. As to the enlargement of the top floor, the Tribunal also accepted Mr Cohen's arguments that the lessee had not shown any interest in doing so and, in reality, any such development was not possible by the unexpired term of the intermediate head lease.
24. The Tribunal accepted Mr Cohen's expert evidence that it was not possible to build on the Mansard roof. Mr Sharp thought that the roof could be increased by about 10 feet, but had no evidence for this. Although the roof heights had been extended at 25 and 29 Collingwood Place, he was unable to say by how much because he had not inspected the properties.
25. In addition, the Tribunal accepted Mr Cohen's evidence that the cost of any such development would be prohibitive therefore making it uncommercial.
26. The Tribunal did not understand what Mr Sharp meant when he proposed that the first-floor flat balcony be "regularised". In cross examination he accepted that it was not demised to the lessee of the flat and would have to be sold to by the intermediate landlord. Mr Sharp was unable to say if planning consent would be granted for the balcony to be used as a roof terrace.
27. As to the alternative use for the property, for example, as a hotel, Mr Sharp conceded in cross examination that, for this to be possible, any purchaser would have to buy out the interests of the head lease and the residential leases. On balance, the Tribunal was satisfied that the cost of doing so would render the exercise uncommercial.
28. In summary, it is the Tribunal's considered view that Mr Sharp's opinion about the likely hope value was very optimistic. The Tribunal was not persuaded that a hypothetical bidder would consider such suggested developments to the building. Mr Sharp assumed a 50-year period before these would be done, even though the leases had a

considerably long time to run. No approaches had been made to the Planning Authority to ascertain whether such works would be considered or permitted, and nor were costings of the suggested possible works considered, sought or provided.

29. The Tribunal is of the opinion that a prospective bidder for the freehold of the property, aware of the long flat leases and a remaining 927-year head lease, would be very unlikely looking to possibly carry out such works, or change in use, even in 50 years' time.

The premium

30. Accordingly, the Tribunal adopts Mr Cohen's valuation and determines the appropriate premium to be **£2,357** plus **£100** for appurtenant land.

Name: Tribunal Judge I Mohabir **Date:** 27 October 2025

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).