

**LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT  
PANEL**

**APPLICATION UNDER SECTIONS 26 & 27  
OF THE LEASEHOLD REFORM ACT 1967**

**Applicant:** Sanjay Vadher

**Respondent:** Henry Edwin Hutchins

**Premises:** 100 Felbrigge Road, Seven Kings, Ilford, Essex

**Meeting date:** 19 April 2006

**Members of the Leasehold Valuation Tribunal:**

**Mr G F Bowden, TD, MA, FRICS,**

**Mrs E Flint, DMS, FRICS, IRRV,**

**Mr W J Reed, FRICS,**

**Date of decision: 12 MAY 2006**

**100 FELBRIGGE ROAD, SEVEN KINGS, ILFORD, ESSEX, IG3 9XJ**

**Leasehold Reform Act 1967 – Sections 26 and 27**

1. This was an Application under Sections 26 and 27 of the Leasehold Reform Act 1967, following a transfer from Ilford County Court to the Leasehold Valuation Tribunal, following a vesting order made on 12 August 2005.
2. The Applicant was Mr Sanjay Vadher, the lessee, who was represented by Messrs McCorry Connolly, solicitors. They submitted the Application on 22 February 2006, requiring the LVT to determine the price payable for the freehold interest in the subject property.
3. Expert evidence on behalf of the Applicant was submitted by Mr Mark Dooley, BSc, MRICS, of Messrs Rona, Chartered Surveyors. In his report he stated that it was his professional opinion that the price payable was £388.00 (three hundred and eighty-eight pounds). This was based on a ground rental income of £15.80 per annum.
4. However, the Tribunal noted from the documentation before them, that the passing ground rent was stated to be £5.90 per annum without review.
5. The Tribunal noted that it was a long lease with more than 900 years still to run.
6. The Capitalisation rate adopted by Mr Dooley was 4.07%, which he based on the average yield for long term gilts at December 2005.
7. The Tribunal considered that this was not the appropriate yield rate for this type of property in this location. Bearing in mind the low ground rent, on which there was no review, it was in the Tribunal's view an unattractive investment with no potential for growth.
8. The Tribunal from their professional experience took the view that 7.5% was the appropriate yield in this instance.
9. The Tribunal on this basis accordingly determined an enfranchisement price of £80 (eighty pounds).
10. The Tribunal noted that the District Judge Rose at Ilford County Court ordered that the sum of £70.80 which was outstanding was to be paid. This sum should be added to the enfranchisement price of £80 in accordance with Section 27(5) of the Act resulting in a figure of £150.80 (one hundred and fifty pounds, eighty pence) which is payable.

11. The Tribunal examined the draft form TR1 and found it to be in accordance with the terms of the transaction.

Chairman ..... *Cera Bowden* .....

Date ..... *12 May 2006* .....

JG