

## Case Studies – Blocks of Flats (Collective Enfranchisement)

### Alvon Court, Mottram Road, Hyde, SK14 2SY

The residents of this block of 10 apartments wished to purchase the freehold to their block of flats, to include the car park and gardens. Each of the flat has approximately 91 years still to run and paid a ground rent of £50 per annum. The nominee purchaser Alvon Court (Freehold) Limited was established and nine of the ten flats participated in the purchase, following service of an Initial Notice on the Landlord we agreed a price with the Landlord, close to our original valuation. Legal completion took place about three months later.



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### Gubyon Avenue, Herne Hill, London, SE24 0DU

This property contained three flats within a Victorian Terrace and each held on leases for a term of 120 years from 1978 having approximately 83 years still to run at a passing rent of £30 per annum doubling every 40 years.

All three flat owners wished to purchase the freehold and we set up a nominee purchaser (56 Gubyon Avenue (Freehold) Limited) and served notice to have the freehold on the landlord proposing a price of £21800, whilst the Landlord proposed a price of £37000 approximately which notably included £15000 for development value. The case was heard by the first-tier Tribunal in central London and crucially following appearance of a planning expert for the tenants, development value was refused as being unlikely to achieve planning consent, and the Tribunal decided a price of £28000 for the freehold interest.



## 7-8 Remington Street, Islington, London, N1 8DH

This property comprises of a Victorian mid-terrace building converted to provide three flats, two of which were held on long leases with 103 years still to run with a ground rent of £10 pa, with the third owned by the freeholder, Islington Borough Council. We set up a limited company and two flat owners joined the process, and a notice to have the freehold was served on the freeholder. One of the original participants later resigned from the company, and the remaining participant continued the process. We agreed a price with the freeholder based on the freehold taking a leaseback of its own flat, and the freehold was transferred to the company. The company then granted long leases back to the shareholder, and assumed the management acting as landlord for all three flats.



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## Napier Court, Outram Road, Croydon, CR0 6XE

This property comprises of a block of 13 flats with 12 flats having leases with 63 years still to run and one with 122 years still to run. Nine participants joined the process of purchasing the freehold, each tenant entered into a Participation Agreement, and a company to acquire the freehold was incorporated (Napier Court Management (Croydon) Limited). We agreed a price with the freeholder's valuer at approximately £16500 per flat, based on flat values of around £160000. The participants company commissioned a new modern lease and granted the participants leases for 999-year terms. The entire process took about 14 months. Over the following two to four years two of the three non-participants approached participants company seeking lease extensions, which were agreed at prices in the region of £25000 reflective of rises in local property values.

