



ACQ/194/2005

**LANDS TRIBUNAL ACT 1949**

***COMPENSATION – compulsory purchase – derelict house – comparables – compensation awarded £195,000***

**IN THE MATTER OF A NOTICE OF REFERENCE**

**BETWEEN**

**NNOKO OMENALA NDI IGBO  
EXECUTOR FOR JOSEPH NWOBO UMEWMI  
(ALSO KNOWN AS NWOBO OWEN), DECEASED**

**Claimant**

**and**

**LONDON BOROUGH OF HACKNEY**

**Acquiring  
Authority**

**Re: 10 Rushmore Road  
London  
E5 OET**

**Before: N J Rose FRICS**

**Sitting at Procession House, 110 New Bridge Street, London EC4V 6JL  
on 18 December 2007**

The Claimant did not appear and was not represented  
Megan Thomas, instructed by Borough Secretary and Solicitor, for the Acquiring Authority

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## DECISION

1. This is a reference by the acquiring authority, the London Borough of Hackney, to determine the compensation payable to the claimant, Nnoko Omenala Ndi Igbo, the executor of the estate of Joseph Nwobo Umewmi (also known as Nwobo Owen), deceased, for the freehold interest in a house known as 10 Rushmore Road, Clapton, London, E5 0ET. That property was compulsorily acquired under the London Borough of Hackney (Rushmore Road) Compulsory Purchase Order 2001, which was made under section 17 of the Housing Act 1985 on 10 July 2001 and confirmed by the First Secretary of State on 28 August 2002. Notice to treat was served on 11 May 2005 and the acquiring authority took possession on 1 August 2005, which is the valuation date.

2. On 25 November 2005 the claimant issued a claim in the High Court on the basis that the acquiring authority was not entitled to take possession of the property. The Master found that it was not possible to discern from the claim form what allegations were being made and the claim was eventually struck out. The claimant sought to appeal that 'strikeout' but was refused permission to appeal on 15 January 2007.

3. The claimant failed to comply with the Tribunal's directions to file and serve a statement of case and expert's report and any witness statement. By a letter from the Tribunal dated 20 August 2007 the claimant was informed that the hearing

“will only consider evidence in relation to the amount of compensation payable in respect of the compulsory acquisition of the above property. The Member does not have jurisdiction to consider the issues which have now been decisively determined by the High Court in its Order dated 15 January 2007. You will not be allowed to address the Tribunal about the legality of the compulsory purchase order”.

4. The claimant did not appear at the hearing and was not represented. Miss Megan Thomas of counsel appeared for the acquiring authority. She called one expert witness, Mr Hugh Thomas, MRICS, acting valuation manager in the acquiring authority's property services division.

5. Mr Thomas's report was dated 12 December 2007, six days before the hearing. He said that his former colleague, Mr Martin Holland, MRICS, had been instructed to inspect the property when the acquiring authority took possession. Mr Holland had carried out an external and internal inspection on 3 August 2005 and prepared an expert report for the assistance of the Tribunal. Mr Thomas had read Mr Holland's report and seen the photographs of the subject property taken by the acquiring authority's private sector housing service on 1 August 2005. He had also inspected the property himself, externally and internally. The property comprised a Victorian house containing 3 rooms and a scullery on the ground floor, two rooms and a bathroom on the first floor and two rooms on the second floor. It was uninhabitable and required total refurbishment, although any structural rebuilding would be very limited.

6. Mr Thomas reproduced details of Part 1 of a schedule of comparable evidence which had been prepared by Mr Holland, to which he had added the number of storeys of each property. All the properties in the schedule were freehold Victorian houses and were either in that part of Rushmore Road very close to the subject property or in the adjacent streets, Millfields Road, Alfearn Road and Hilsea Street. These sales were all completed in 2005 and the prices achieved ranged from £195,000 to £315,000. Mr Thomas said that the properties were mainly two storey terraced houses, which he had assumed contained 3-bedrooms with one or two reception rooms and were therefore generally smaller than the subject property.

7. Part 2 of Mr Thomas's schedule of comparables contained details of three properties in Hackney which had been sold by auction between April and September 2005 at prices between £211,000 and £238,000. Mr Thomas said that the extensive state of dereliction of the subject property, which was apparent from the contemporaneous photographs, meant that at the valuation date it was likely to have been in considerably worse condition than any of the comparables to which he had referred. Making allowances for what he considered to be differences in size and condition of the various properties, Mr Thomas considered that the open market value of the subject property on the valuation date was £175,000.

8. In the course of the hearing a copy of the inspector's report on the CPO enquiry was produced. I pointed out that paragraph 22 of the report recorded Ms A Arthur, previously senior environmental health officer for the acquiring authority, as saying that if the CPO was confirmed the acquiring authority would purchase the property, valued at £150,000, and offer it for sale. That evidence was given on 5 February 2002. Mr Thomas said that he had been unaware of that valuation when he prepared his report. After making investigations into the change in residential values between February 2002 and August 2005, he informed me that the value of £150,000 was equivalent to £206,205 at the valuation date.

9. Mr Thomas was in a difficult position, being required to value a property by reference to various comparables which he had not inspected until 2007 and then externally only. His valuation of £175,000 was therefore based on a degree of speculation as to the condition and size of the comparable properties. On the other hand, the figure of £150,000 to which I have referred above was a contemporaneous valuation put forward in evidence by the acquiring authority at an enquiry at which it was seeking authority to purchase the subject property compulsorily. Miss Thomas pointed out that Ms Arthur was not a valuation surveyor, but she was unable to tell me who had provided Ms Arthur with the valuation figure and it appears from paragraph 23 of the inspector's report that the acquiring authority had appointed surveyors to advise on the prospects of selling the property by public auction.

10. It is unfortunate that the claimant has not put forward any evidence to assist me in my determination of value. I have formed the view that Mr Thomas was a straightforward witness, doing his best to assist the Tribunal within the constraints under which he was operating because of the late stage at which he had been instructed. I have come to the conclusion that the valuation put forward by the acquiring authority at the CPO enquiry is a more reliable guide to the value of the subject property than the valuation prepared subsequently by Mr Thomas without the benefit of an internal inspection of any of the comparables. Indeed, Mr Thomas accepted that, in the light of the valuation put forward by the acquiring authority in 2002, the value of the subject property was likely to have been in

the region of £175,000 to £200,000 at the valuation date. I bear in mind the scope for inaccuracy in adjusting for the movement in values between 2002 and 2005 and the possibility that the condition of the subject property deteriorated in the intervening period. I determine the compensation payable to the claimant for the freehold interest in 10 Rushmore Road, London, E5 0ET to be £195,000. A letter on costs accompanies this decision, which will take effect when the question of costs is decided.

Dated 8 January 2008

N J Rose, FRICS