

The House of Lords has ruled in Sportelli

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The long awaited decision of the House of Lords in the 'Sportelli' case has been handed down. The appeal, brought by the Cadogan Estate concerned whether "hope value" should be added to the price paid by leaseholders for leasehold enfranchisement.

Dismissing the appeal, in part, their Lordships held that hope value is, as a matter of law, excluded from valuations of houses under the Leasehold Reform Act 1967, lease extensions of flats or for participating tenants in collective enfranchisement under the Leasehold Reform, Housing and Urban Development Act 1993. **However, the appeal was allowed as regards hope value for non-participating tenants in collective enfranchisement.**

The effect is that hope value is payable on the flats of non-participating tenants in a claim for collective enfranchisement.