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

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER S21 OF THE LEASEHOLD REFORM ACT 1967

Applicants: Mr & Mrs M J Thain (No.3)
Ms J B Silver (No.9)
Mr & Mrs M Ross (No.22)
Mr & Mrs E D Elson (No.24)

Respondent: Wrotham Park Settled Estates

Properties: 3, 9, 22 and 24 Beaumont Place, Hadley Highstone, Barnet, Herts

(For description, and lease details - see over)

| Date of Tenants' Notices: | Price Offered : |
|---------------------------|-----------------|
| No.3 - 31 January 1996 | - £5,250 |
| No.9 - 30 April 1996 | - £5,300 |
| No.22 - 23 April 1996 | - £5,300 |
| No.24 - 23 April 1996 | - £5,300 |

Date of Respondent's Counter Notices: 29 March 1996 (No.3)
17 June 1996 (Nos. 9, 22 and 24)

Applications to Tribunal dated:

No.3 - 17 March 1997, No.9 - 1 April 1997, No.22 - 17 March 1997, No.24 - 19 March 1997

Heard: 13 October 1997

Inspection: 14 October 1997

Valuation Dates: see tenants notices above

Unexpired terms: 97 years

Appearances: Mr & Mrs M J Thain (No.3)
Mr & Mrs E D Elson (No.24)
Mrs J M Donovan, Male & Wagland, Solicitors
Mr B R Maunder Taylor FRICS MAE
for the Tenant

Miss A Seifert of Counsel
Mr J Morcom, Farrer & Co, Solicitors
Mr W R C Shearer FRICS, Messrs Bidwells
for the Landlord

Members of the Leasehold Valuation Tribunal:

Mrs B M Hindley JP LLB (Chairman)
Mr G I Coe BSC (EstMan) FRICS
Mrs L Walter MA

Date of Tribunal's decision: **16 DEC 1997**

DESCRIPTION

Beaumont Place is a private cul-de-sac road leading off A 1000 Great North Road about one mile north of High Barnet centre. It has been developed with some 18 detached houses in four phases between the mid 1970's and 1997. As a result of boundary changes the whole development is now within the London Borough of Barnet, but originally Phases 1 and 3 were outside the Greater London area.

The subject properties are as follows:-

No.3. Built in the mid 1970s in Phase 1

Accommodation:

G.floor: 3 reception rooms, kitchen, utility and cloak rooms

1st floor: 4 bedrooms, 2 bathrooms (1 ensuite)

2nd Floor: Attic playroom

Detached double garage and storeroom

Gross ext. floor area 228 sq.m. excl garage. Attic 54 sq.m.

No.9 Built in 1987 in Phase 3.

Accommodation:

G floor: 3 reception rooms, kitchen, utility and cloak rooms.

1st floor: 5 bedrooms, 3 bathrooms (1 en suite)

Integral double garage at lower ground floor level

Gross ext. floor area 280 sq.m. excluding garage.

No.22 Built about 1987 in Phase 3.

Accommodation:

G floor: 3 reception rooms, kitchen, utility and cloak rooms

1st floor: 4 bedrooms, dressing room, 3 bathrooms (1 en suite)

Attached double garage

Gross ext. floor area 250 sq.m. excluding garage.

No.24 Built about 1987 in Phase 3.

Accommodation:

G floor: 3 reception rooms, kitchen, utility and cloak rooms

1st floor: 5 bedrooms, 3 bathrooms (1 en suite)

Attached double garage

Gross ext. floor area 266 sq.m excluding garage.

All four properties have modest size gardens. Nos. 22 and 24 have good open views at the rear. Nos. 9, 22 and 24 generally appear to be built to a higher specification than the dwellings in the earlier two phases, including No.3. Three houses recently built at the end of the cul-de-sac in Phase 4 also appear to be constructed to a high standard.

LEASE DETAILS

House Number 3 125 years from 24 December 1973 at a ground rent of £25/£40/£60/£90/£135/£203 rising every 20 years.

Houses Numbered 9, 22 and 24 each 111 years (less 10 days) from 25 December 1982 at initial ground rents of £50 per annum rising on 25 December 2010 and then every 25 years. The reviews to be in line with changes in the Retail Price Index. The base Retail Price Index figure in November 1985 for the purpose of this calculation was 95.9 (based on 1987 = 100) and the last published Retail Price Index figure is 159.3 in September 1997 also based on 1987 = 100. Therefore the uplift is 66.11 percent.

1. Attached at Annex 1 and Annex 2 are the valuations of the individual subject properties as submitted at the hearing by Mr Maunder Taylor and Mr Shearer respectively.
2. During the course of the hearing the following points of agreement and disagreement between the parties emerged:-

| | <u>Applicants</u> | <u>Respondents</u> |
|-----------------------------------------------------|---------------------------------|-----------------------|
| Capitalisation Rate | 7% | 10% |
| Difference between freehold and leasehold values | £10,000 | 10% of freehold value |
| | <see figures in brackets below> | |
| Freehold value of No.3 | £300,000 (£290,000) | £330,000 (£297,000) |
| Freehold value of No.9 | £350,000 (£340,000) | £370,000 (£333,000) |
| Freehold value of No.22 | £390,000 (£380,000) | £390,000 (£351,000) |
| Freehold value of No.24 | £400,000 (£390,000) | £400,000 (£360,800) |
| Marriage value | 50% | 50% |

3. Attached at Annex 3 is a schedule of comparable properties agreed at the hearing with the amendments as shown.
4. With the freehold values agreed in respect of the two best properties (Nos.22 and 24) the Tribunal, having inspected internally all the subject properties and externally all the offered comparables, found most helpful the sale of the freehold of No.2 in March 1997. This property benefitted from an integral double garage and a reasonable sized rear garden. By comparison with No.2 and Nos. 22 and 24, No.3 appeared as less well constructed and somewhat dated. Certainly the layout of both its ground and first floor rooms did not make the best use of the available space and its position on its plot meant that no ground floor room had an outlook over its garden. Taking all these factors

into consideration the Tribunal, like Mr Maunder Taylor, valued the freehold of No.3 at £300,000.

5. The parameters having been set, the Tribunal considered that Mr Maunder Taylor's valuation of No.9 at £350,000 fitted into a pattern better than Mr Shearer's valuation at £370,000. Whilst No.9 was on the opposite side of the road from Nos. 22 and 24 and, therefore, lacked their very enviable views, the Tribunal noted that it was a not dissimilar house. However, in their view the steps into the main living rooms which were an attractive feature of Nos. 22 and 24 worked less satisfactorily in No.9, where they appeared as a somewhat awkward contrivance resulting in oddly shaped rooms. The rooms also appeared to be rather dark.
6. With regard to the existing leasehold values the Tribunal was of the opinion that leasehold tenure was less accepted (and, therefore, less acceptable) outside central London. That being so they considered that their sale leasehold would be more difficult and, to that extent, they were persuaded by Mr Shearer's percentage approach, in preference to Mr Maunder Taylor's somewhat simplistic £10,000 reduction. However, although they accepted that leasehold tenure outside central London was particularly unusual in respect of high value properties such as the subject, they considered a 5% reduction more appropriate than Mr Shearer's proposed 10%. In coming to this conclusion they did not find helpful the considerable volume of evidence given at the hearing on behalf of the respondents concerning marriage values alleged (by deduction) to have formed part of earlier settlements.
7. 9% seemed to the Tribunal the appropriate rate at which to capitalise the low, but not fixed, ground rents, both by comparison with the yields established in other Leasehold Valuation Tribunals in respect of ground rents of properties located closer to central London, and also having regard to the quality and the location of the subject properties.

8. Accordingly, the Tribunal made the valuations attached at Annex 4.

9. The Tribunal, therefore, determined that the following sums are to be paid for the freehold interest in:-
 - No.3 Beaumont Place £7,800 (seven thousand eight hundred pounds)
 - No.9 Beaumont Place £9,100 (nine thousand one hundred pounds)
 - No.22 Beaumont Place £10,400 (ten thousand four hundred pounds)
 - No.24 Beaumont Place £10,400 (ten thousand four hundred pounds)

Costs

1. The issue of costs arose at the hearing and the parties were asked to submit subsequent written representations.

Valuation Fees

2. Farrer & Co wrote in connection with the surveyors fees claimed by Messrs Bidwells (who were also the respondent's managing agents) that fixed (at 0.25%) scale fees resulting in valuation fees of £825, £925, £975 and £1000 plus VAT, for Nos. 3, 9, 22 and 24 respectively were appropriate. They added that a time spent account could be provided but suggested that the time spent would have been 'substantial' and would have involved investigation into the rating history of the properties.
3. Mr Maunder Taylor regarded the fixed fee approach, in this instance, as resulting in an excessive amount for any reasonably based fee on four relatively similar residential properties close to the management office of the Wrotham Park Estate and well known to the valuer concerned. He said that most of the valuation exercise was common to all four houses and that to calculate a separate fee for each property was unreasonable, although he accepted that Mr Shearer had made 'a brief inspection of all four houses', for which he was entitled to additional payment. He concluded that a reasonable total cost would be £858 plus VAT.
4. The Tribunal accepted, in broad terms, the approach proposed by Mr Maunder Taylor but considered his total too low even allowing for the fact that Messrs Bidwells were not unfamiliar with the properties. In their view a total valuation fee of £1500 + VAT was reasonable in all the circumstances.

Legal Costs

5. Farrer & Co claimed under Section 9(4) of the Leasehold Reform Act 1967 rounded fees plus VAT of £800 for Nos. 9, 22 and 24 and £900 for No.3. They justified these figures on the basis that the work involved under subsections a - e was properly allocated to a partner and charged at an inclusive hourly rate of £215 plus VAT.
6. Male and Wagland suggested £475 plus VAT and disbursements for each property on the basis that much of the work involved could be handled at lower than partner level at a charge rate of £125 per hour.
7. Although no itemised account was supplied to the Tribunal, having considered the various elements involved under the individual sub headings, they were of the opinion that a significant proportion could have been dealt with by a less qualified employee under supervision. That being so the Tribunal took the view that fees of £650 plus VAT and disbursements were appropriate for Nos. 9, 22 and 24. Accepting the view that more work had been required in connection with No.3, because of difficulties with the previous head lease, they allowed £750 plus VAT and disbursements for No.3.

CHAIRMAN *J. D. H. Underley*

DATE 16 DEC 1997

3 BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS.

House subject to a Lease of 120 years from 24/12/1973 at £25 per annum for 20 years, rising every 20 years to £40/£60/£90/£135/£203 per annum.

Date of valuation: 29/3/96: 97¾ years unexpired.

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------|-----------|---------|-----------|------|
| <i>Paragraph 2(1)(a) The value of the freeholder's interest in the premises as determined in accordance with Paragraph 3</i> | | | £40 | £321 |
| | | | 8.022 | |
| | | | £320.88 | |
| | | | £60 | |
| Ground rent annually: | | | | |
| Years purchase @ 10% for 16 years | 8.514 | | | |
| Ground rent annually: | | | | |
| Years purchase @ 10% for 20 years | 0.1978447 | | | |
| Present value of £1 @ 10% deferred 17 years | 1.6844498 | 1.68445 | | |
| | | | £101.067 | £101 |
| Ground rent annually: | | | £90 | |
| Years purchase @ 10% for 20 years | 8.514 | | | |
| Present value of £1 @ 10% deferred 37 years | 0.0294083 | | | |
| | 0.250382 | 0.25038 | | |
| | | | £22.53 | £23 |
| Ground rent annually: | | | £135 | |
| Years purchase @ 10% for 20 years | 8.514 | | | |
| Present value of £1 @ 10% deferred 57 years | 0.0043714 | | | |
| | 0.0372181 | 0.03722 | | |
| | | | £5.025 | £5 |
| Ground rent annually: | | | £203 | |
| Years purchase @ 10% for 20 years | 8.514 | | | |
| Present value of £1 @ 10% deferred 77 years | 0.0006498 | | | |
| | 0.005532 | 0.00553 | | |
| | | | £1.123 | £1 |
| Reversion to: (as at 29/3/96) | | | £260,000 | |
| Present value of £1 @ 10% deferred 97 years | | | 0.0000966 | |
| | | | £25.12 | £25 |
| Carried Forward | | | | £476 |

| | | | |
|---------------------------------------------------------------------------------------------------------------------------|----------|------------|---------------|
| Brought Forward | | | £476 |
| <i>Paragraph 2(1)(b) The freeholder's share @ 50% of the marriage value as determined in accordance with Paragraph 4.</i> | | | |
| Value of house with share of freehold interest | | £300,000 | |
| Less: | | | |
| Freeholders value | £476 | | |
| Value of house with existing lease | £290,000 | | |
| | £290,476 | (£290,476) | |
| Marriage value | | £9,524 | |
| 50% of marriage value | | | £4,762 |
| <i>Paragraph 2(1)(c) Compensation payable to the landlord under Paragraph 5.</i> | | | Nil |
| Total Compensation Payable | | | £5,238 |
| But Say | | | £5,250 |

9 BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS.

House subject to a Lease of 111 years from 25/12/1982 at £50 per annum until 25/12/2010 and then rising every 21 years in accordance with the Retail Price Index

Date of valuation: 17/6/96: 97½ years unexpired.

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|------|
| <p><i>Paragraph 2(1)(a) The value of the freeholder's interest in the premises as determined in accordance with Paragraph 3</i></p> <p>Ground rent annually: Years purchase @ 10% for 14 years</p> <p>Ground rent annually: RPI November 1985-September 1997: 95.9 - 159.3 66.11% uplift, therefore rise to £83.06</p> <p>Years purchase @ 10% for 83 years Present value of £1 @ 10% deferred 14 years</p> <p>Reversion to: (as at 17/6/96) Present value of £1 @ 10% deferred 97 years</p> <p><i>Paragraph 2(1)(b) The freeholder's share @ 50% of the marriage value as determined in accordance with Paragraph 4.</i></p> <p>Value of house with share of freehold interest</p> <p><i>Less:</i></p> <p>Freeholders value Value of house with existing lease</p> <p>Marriage value 50% of marriage value</p> <p><i>Paragraph 2(1)(c) Compensation payable to the landlord under Paragraph 5.</i></p> <p>Total Compensation Payable But Say</p> | | £50 | |
| | | 7.367 | |
| | | £368.35 | £368 |
| | | £83.06 | |
| | 9.9963 | | |
| | 0.2633313 | | |
| | 2.632338 | 2.63234 | |
| | | £218.64 | £219 |
| | | £310,000 | |
| | | 0.0000966 | |
| | £29.95 | £30 | |
| | £310,000 | | |
| £617 | | | |
| £300,000 | | | |
| £300,617 | (£300,617) | | |
| | £9,383 | | |
| | | £4,691 | |
| | | Nil | |
| | | £5,308 | |
| | | £5,300 | |

22 BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS.

House subject to a Lease of 111 years from 25/12/1982 at £50 per annum until 25/12/2010 and then rising every 21 years in accordance with the Retail Price Index

Date of valuation: 17/6/96: 97½ years unexpired.

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|--------|
| <p>Paragraph 2(1)(a) The value of the freeholder's interest in the premises as determined in accordance with Paragraph 3</p> <p>Ground rent annually:</p> <p>Years purchase @ 10% for 14 years</p> | | £50 | |
| | | 7.367 | |
| | | £368.35 | £368 |
| <p>Ground rent annually: RPI November 1985-September 1997: 95.9 - 159.3</p> <p>66.11% uplift, therefore rise to £83.06</p> <p>Years purchase @ 10% for 83 years</p> <p>Present value of £1 @ 10% deferred 14 years</p> | 9.9963 | £83.06 | |
| | 0.2633313 | | |
| | 2.632338 | 2.63234 | |
| | | £218.64 | £219 |
| <p>Reversion to: (as at 17/6/96)</p> <p>Present value of £1 @ 10% deferred 97 years</p> | | £350,000 | |
| | | 0.0000966 | |
| | | £33.81 | £34 |
| <p>Paragraph 2(1)(b) The freeholder's share @ 50% of the marriage value as determined in accordance with Paragraph 4.</p> <p>Value of house with share of freehold interest</p> <p>Less:</p> <p>Freeholders value</p> <p>Value of house with existing lease</p> | £621 | £350,000 | |
| | £340,000 | | |
| | £340,621 | (£340,621) | |
| | | £9,379 | £4,690 |
| <p>Marriage value</p> <p>50% of marriage value</p> | | | Nil |
| <p>Paragraph 2(1)(c) Compensation payable to the landlord under Paragraph 5.</p> <p>Total Compensation Payable</p> | | | £5,311 |
| <p>But Say</p> | | | £5,300 |

24 BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS.

House subject to a Lease of 111 years from 25/12/1982 at £50 per annum until 25/12/2010 and then rising every 21 years in accordance with the Retail Price Index

Date of valuation: 17/6/96: 97½ years unexpired.

| | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------|------|
| <p><i>Paragraph 2(1)(a) The value of the freeholder's interest in the premises as determined in accordance with Paragraph 3</i></p> <p>Ground rent annually: Years purchase @ 10% for 14 years</p> <p>Ground rent annually: RPI November 1985-September 1997: 95.9 - 159.3 66.11% uplift, therefore rise to £83.06</p> <p>Years purchase @ 10% for 83 years Present value of £1 @ 10% deferred 14 years</p> <p>Reversion to: (as at 17/6/96) Present value of £1 @ 10% deferred 97 years</p> <p><i>Paragraph 2(1)(b) The freeholder's share @ 50% of the marriage value as determined in accordance with Paragraph 4.</i></p> <p>Value of house with share of freehold interest</p> <p><i>Less:</i></p> <p>Freeholders value Value of house with existing lease</p> <p>Marriage value 50% of marriage value</p> <p><i>Paragraph 2(1)(c) Compensation payable to the landlord under Paragraph 5.</i></p> <p>Total Compensation Payable But Say</p> | | £50 | |
| | | 7.367 | |
| | | £368.35 | £368 |
| | | £83.06 | |
| | 9.9963 | | |
| | 0.2633313 | | |
| | 2.632338 | 2.632338 | |
| | | £218.64 | £219 |
| | | £360,000 | |
| | | 0.0000966 | |
| | £34.78 | £35 | |
| | £360,000 | | |
| | £622 | | |
| | £350,000 | | |
| | £350,622 | (£350,622) | |
| | £9,378 | | |
| | | £4,689 | |
| | | Nil | |
| | | £5,311 | |
| | | £5,300 | |

WROTHAM PARK SETTLED ESTATES

Valuation of 3 Beaumont Place, Hadley Highstone under Leasehold Reform Act 1993

As at February 1996

Term: 121 years from 25.12.72 expires 25.12.2093.

Ground Rent: £40 per annum.

Review Date: 25.12.2012 and every 20 years thereafter.

1 Valuation of Landlords Interest exclusive of Marriage Value

| | | | |
|------------------------|--------|---------|--------|
| Ground Rent currently | 40.00 | | |
| YP for 16 years at 7% | 9.45 | 378.00 | |
| Rent Review 25.12.2012 | 60.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deferred 16 years | 0.34 | 216.04 | |
| Rent Review 25.12.2032 | 90.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deferred 36 years | 0.088 | 83.87 | |
| Rent Review 25.12.2052 | 130.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deffered 56 years | 0.023 | 31.66 | |
| Rent Review 25.12.2072 | 203.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deferred 76 years | 0.0058 | 12.47 | |
| | | | 722.04 |
| | Say | £722.00 | |

Reversion to:

| | | | |
|----------------------------|---------|--------|---------|
| Value of freehold interest | 400,000 | | |
| Deferred 97 years at 7% | 0.0014 | 560.00 | 1282.00 |

2 The Freeholders Share Of the "Marriage Value"

| | | | |
|--------------------------------------------------------------------------------|---------|---------|--------|
| Value of freehold interest with vacant possession | | 330,000 | |
| Less value of Landlord's interest exclusive of marriage value | 1282.00 | | |
| Less value of Tenant's interest exclusive of marriage value (330,000 less 10%) | 297,000 | 298,282 | |
| Gain on marriage | | 31,718 | |
| 50% share to Landlord | | | 15,859 |
| Cost of enfranchisement | | | 17,141 |

3 Compensation for other Losses

| | | | |
|------------------------------------------------------------------|-------|-----|------------|
| a) Landlords right to receive annual insurance agency commission | 60.00 | | |
| (Reflected in yield of 7%) | | | Nil |
| b) Restriction on Landlord's ability to re-develop the site | | | <u>Nil</u> |
| | | | 17,141 |
| | | Say | 17,000 |

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WROTHAM PARK SETTLED ESTATES

Valuation of 9 Beaumont Place, Hadley Highstone under Leasehold Reform Act 1993

As at April 1996

Term: 121 years from 25.12.72 expires 25.12.2093.

Ground Rent: £40 per annum.

Review Date: 25.12.2012 and every 20 years thereafter.

1 Valuation of Landlords Interest exclusive of Marriage Value

| | | | |
|------------------------|--------|--|----------------|
| Ground Rent currently | 40.00 | | |
| YP for 16 years at 7% | 9.45 | | 378.00 |
| | | | |
| Rent Review 25.12.2012 | 60.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deferred 16 years | 0.34 | | 216.04 |
| | | | |
| Rent Review 25.12.2032 | 90.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deferred 36 years | 0.088 | | 83.87 |
| | | | |
| Rent Review 25.12.2052 | 130.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deffered 56 years | 0.023 | | 31.66 |
| | | | |
| Rent Review 25.12.2072 | 203.00 | | |
| YP for 20 years at 7% | 10.59 | | |
| Deferred 76 years | 0.0058 | | 12.47 |
| | | | |
| | | | 722.04 |
| | Say | | £722.00 |

Reversion to:

| | | | |
|----------------------------|---------|--------|---------|
| Value of freehold interest | 500,000 | | |
| Deferred 97 years at 7% | 0.0014 | 700.00 | 1422.00 |

2 The Freeholders Share Of the "Marriage Value"

| | | | |
|--------------------------------------------------------------------------------|---------|---------|--------|
| Value of freehold interest with vacant possession | | 370,000 | |
| Less value of Landlord's interest exclusive of marriage value | 1422.00 | | |
| Less value of Tenant's interest exclusive of marriage value (370,000 less 10%) | 333,000 | 334,422 | |
| Gain on marriage | | 35,578 | |
| 50% share to Landlord | | | 17,789 |
| Cost of enfranchisement | | | 19,211 |

3 Compensation for other Losses

- a) Landlords right to receive annual insurance agency commission

No commission received within the last 12 months but right to receive reflected in yield. Nil

- b) Restriction on Landlord's ability to re-develop the site

Nil

19,211

Say 19,000

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WROTHAM PARK SETTLED ESTATES

Valuation of 22 Beaumont Place, Hadley Highstone under Leasehold Reform Act 1993

As at April 1996

Term: 121 years from 25.12.72 expires 25.12.2093.

Ground Rent: £40 per annum.

Review Date: 25.12.2012 and every 20 years thereafter.

1 Valuation of Landlords Interest exclusive of Marriage Value

| | | |
|------------------------|--------|---------|
| Ground Rent currently | 40.00 | |
| YP for 16 years at 7% | 9.45 | 378.00 |
| | | |
| Rent Review 25.12.2012 | 60.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deferred 16 years | 0.34 | 216.04 |
| | | |
| Rent Review 25.12.2032 | 90.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deferred 36 years | 0.088 | 83.87 |
| | | |
| Rent Review 25.12.2052 | 130.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deffered 56 years | 0.023 | 31.66 |
| | | |
| Rent Review 25.12.2072 | 203.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deferred 76 years | 0.0058 | 12.47 |
| | | |
| | | 722.04 |
| | Say | £722.00 |

Reversion to:

| | | | |
|----------------------------|---------|--------|---------|
| Value of freehold interest | 500,000 | | |
| Deferred 97 years at 7% | 0.0014 | 700.00 | 1422.00 |

2 The Freeholders Share Of the "Marriage Value"

| | | | |
|--------------------------------------------------------------------------------|---------|---------|--------|
| Value of freehold interest with vacant possession | | 390,000 | |
| Less value of Landlord's interest exclusive of marriage value | 1422.00 | | |
| Less value of Tenant's interest exclusive of marriage value (390,000 less 10%) | 351,000 | 352,422 | |
| Gain on marriage | | 37,578 | |
| 50% share to Landlord | | | 18,789 |
| Cost of enfranchisement | | | 20,211 |

3 Compensation for other Losses

| | | | |
|------------------------------------------------------------------|-------|-----|------------|
| a) Landlords right to receive annual insurance agency commission | 26.84 | | |
| (reflected in yield of 7%) | | | Nil |
| b) Restriction on Landlord's ability to re-develop the site | | | <u>Nil</u> |
| | | | 20,211 |
| | | Say | 20,000 |

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WROTHAM PARK SETTLED ESTATES

**Valuation of 24 Beaumont Place, Hadley Highstone under
Leasehold Reform Act 1993**

As at April 1996

Term: 121 years from 25.12.72 expires 25.12.2093.

Ground Rent: £40 per annum.

Review Date: 25.12.2012 and every 20 years thereafter.

1 Valuation of Landlords Interest exclusive of Marriage Value

| | | |
|------------------------|--------|----------------|
| Ground Rent currently | 40.00 | |
| YP for 16 years at 7% | 9.45 | 378.00 |
| | | |
| Rent Review 25.12.2012 | 60.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deferred 16 years | 0.34 | 216.04 |
| | | |
| Rent Review 25.12.2032 | 90.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deferred 36 years | 0.088 | 83.87 |
| | | |
| Rent Review 25.12.2052 | 130.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deffered 56 years | 0.023 | 31.66 |
| | | |
| Rent Review 25.12.2072 | 203.00 | |
| YP for 20 years at 7% | 10.59 | |
| Deferred 76 years | 0.0058 | 12.47 |
| | | |
| | | 722.04 |
| | Say | £722.00 |

Reversion to:

| | | | |
|----------------------------|---------|--------|----------------|
| Value of freehold interest | 500,000 | | |
| Deferred 97 years at 7% | 0.0014 | 700.00 | 1422.00 |

2 The Freeholders Share Of the "Marriage Value"

| | | | |
|--------------------------------------------------------------------------------|---------|---------|---------------|
| Value of freehold interest with vacant possession | | 400,000 | |
| Less value of Landlord's interest exclusive of marriage value | | | 1422.00 |
| Less value of Tenant's interest exclusive of marriage value (400,000 less 10%) | 360,000 | 361,422 | |
| Gain on marriage | | 38,578 | |
| 50% share to Landlord | | | 19,289 |
| Cost of enfranchisement | | | 20,711 |

3 Compensation for other Losses

| | | | |
|------------------------------------------------------------------|-------|--|---------------|
| a) Landlords right to receive annual insurance agency commission | 42.45 | | |
| (reflected in yield of 7%) | | | Nil |
| b) Restriction on Landlord's ability to re-develop the site | | | <u>Nil</u> |
| | | | 20,711 |
| | Say | | 20,500 |

Annex 3.

| | | |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| No.2 | Freehold purchased by Leasehold owner by negotiation. following service of a claim under the Leasehold Reform Act 1967* | £2000 |
| No 2 | Sold Freehold in March 1997 | £280,000 |
| No.4 | Sold Leasehold with the benefit of a valid claim for the freehold served by the vendor pursuant to the Leasehold Reform Act 1967 (as amended)** | £290,000 |
| No.14 | Sold Leasehold (particulars attached WRCS 12a and 12b) on 29 September 1997 | £329,950 |
| Fourth Phase | Sold freehold between £465,000 and £580,000 (particulars attached WRCS 13) in Summer 1997 | |

* In this case it will be appreciated that the price (because the rateable value was below £1,000 (£709) on the relevant date and the property was in Greater London) fell to be determined according to Section 9(1) of the Leasehold Reform Act 1967 and not under Section 9(1a).

** Here again, the property was in Greater London on the relevant date and having a rateable value below £1,000 (£709) the price as with Number 2 was to be determined under Section 9(1) of the Leasehold Reform Act 1967.

LEASEHOLD REFORMACT 1967 (as amended)**3, BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS**

Valuation date: 31st January 1996

Value of Lessor's Present Interest

| | | | |
|----------------------------|---------------------------------------------------|-----------|------|
| Term | | | |
| | Ground Rent receivable, per annum | £40 | |
| | YP 18 yrs @ 9% | 8.7556 | |
| | | | £350 |
| | Ground Rent - reversion to | £60 | |
| | YP 20 yrs def 18 yrs @ 9% | 1.935 | |
| | | | £116 |
| | Ground Rent - reversion to | £90 | |
| | YP 20 yrs def 38 yrs @ 9% | 0.345 | |
| | | | £31 |
| | Ground Rent - reversion to | £135 | |
| | YP 20 yrs def 58 yrs @ 9% | 0.0616 | |
| | | | £8 |
| | Ground Rent - reversion to | £203 | |
| | YP 20 yrs def 78 yrs @ 9% | 0.0109 | |
| | | | £2 |
| Reversion | Freehold interest excluding tenant's improvements | £300,000 | |
| | Deferred 98 years @ 9% | 0.0002149 | |
| | | | £65 |
| | | | £572 |
| Value of lessor's interest | | | £572 |

Lessor's share of marriage value

| | | | |
|--------|---------------------------------------|------------|---------------|
| | Freehold interest - as above | £300,000 | |
| Less : | | | |
| | Value of lessee's interest | £285,000 | |
| | Value of lessor's interest - as above | £572 | |
| | | £285,572 | |
| | Marriage Value | | £14,428 |
| | 50% to lessor | | £7,214 |
| | | | £7,786 |
| | Total | | £7,786 |
| | Enfranchisement Price | Say | £7,800 |

LEASEHOLD REFORM ACT 1967 (as amended)**9, BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS**

Valuation date: 30th April 1996

Value of Lessor's Present Interest

| | | | |
|---------------------------------------------------------------------|-----------------|--|---------------|
| Ground Rent receivable, per annum YP 14 yrs @ 9% | £50 7.7862 | | £389 |
| Ground Rent receivable from 25/12/2010 YP 83 yrs def 14 yrs @ 9% | £83.06 3.323 | | £276 |
| Reversion | | | |
| Freehold interest excluding tenant's improvements | £350,000 | | |
| Deferred 97 years @ 9% | 0.0002342 | | £82 |
| Value of lessor's interest | | | £747 |
| <u>Lessor's share of marriage value</u> | | | |
| Freehold interest - as above | £350,000 | | |
| Less : | | | |
| Value of lessee's interest | £332,500 | | |
| Value of lessor's interest - as above | £747 | | |
| Marriage Value | £333,247 | | £16,753 |
| 50% to lessor | | | £8,377 |
| Total | | | £9,124 |
| <u>Enfranchisement Price</u> | Say | | £9,100 |

LEASEHOLD REFORM ACT 1967 (as amended)**22, BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS**

Valuation date: 23rd April 1996

Value of Lessor's Present Interest

| | | | |
|---------------------------------------------------------------------|-----------------|--|------|
| Ground Rent receivable, per annum YP 14 yrs @ 9% | £50 7.7862 | | £389 |
| Ground Rent receivable from 25/12/2010 YP 83 yrs def 14 yrs @ 9% | £83.06 3.323 | | £276 |
| Reversion | | | |
| Freehold interest excluding tenant's improvements | £390,000 | | |
| Deferred 97 years @ 9% | 0.0002342 | | £91 |
| Value of lessor's interest | | | £756 |

Lessor's share of marriage value

| | | | |
|------------------------------------------|----------|----------|----------------|
| Freehold interest - as above | | £390,000 | |
| Less : | | | |
| Value of lessee's interest | £370,000 | | |
| Value of lessor's interest - as above | £756 | | |
| Marriage Value | | £370,756 | £19,244 |
| 50% to lessor | | | £9,622 |
| | | | £10,378 |
| | Total | | £10,378 |
| Enfranchisement Price | Say | | £10,400 |

LEASEHOLD REFORM ACT 1967 (as amended)**24, BEAUMONT PLACE, HADLEY HIGHSTONE, BARNET, HERTS**

Valuation date: 23rd April 1996

Value of Lessor's Present Interest

| | | | |
|---------------------------------------------------|-----------|--|------|
| Ground Rent receivable, per annum | £50 | | |
| YP 14 yrs @ 9% | 7.7862 | | |
| | | | £389 |
| Ground Rent receivable from 25/12/2010 | £83.06 | | |
| YP 83 yrs def 14 yrs @ 9% | 3.323 | | £276 |
| Reversion | | | |
| Freehold interest excluding tenant's improvements | £400,000 | | |
| Deferred 97 years @ 9% | 0.0002342 | | |
| | | | £94 |
| Value of lessor's interest | | | £759 |

Lessor's share of marriage value

| | | | |
|---------------------------------------|------------|----------|----------------|
| Freehold interest - as above | | £400,000 | |
| Less : | | | |
| Value of lessee's interest | £380,000 | | |
| Value of lessor's interest - as above | £759 | | |
| Marriage Value | | £380,759 | £19,241 |
| 50% to lessor | | | £9,620 |
| | | | £10,379 |
| <u>Enfranchisement Price</u> | Say | | £10,400 |