

LON/LVT/839 and 840/98

SV

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 SECTION 21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: Sassoon Development Ltd

Respondents: Mr A A Landau (19E)
Mrs G G F M Jenner (19F)

RE: 19E and 19F Grove End Road, London NW8

Date of Tenants' Notices: 31 July 1997 (19E)
15 September 1997 (19F)

Applications to Tribunal dated: 13 March 1998

Heard: 9 March 1999 Inspection 19 March 1999

Appearances: Mr R M Conway FRICS, Conways Chartered Surveyors
Mr R Diggall BA Hons MCIH Conways Chartered Surveyors

for the Tenants

Mr T P C Reade, BSc ARICS, Cluttons Daniel Smith
Mr A Sassoon, Director

for the Landlord

Members of the Leasehold Valuation Tribunal:

Mrs S E Denman CBE, LL.M (Chairman)
Mr P M J Casey ARICS
Mrs L Walter MA

Date of Tribunal's decision: 14 JUN 1999

1. 19E and 19F Grove End Road are two three storey mid terraced town houses, built in the early 1970's, with effective floor area of about 110 m². Each is held on a 99 year lease, dated 31 July 1973 and 6 July 1973 respectively, at initial ground rents of £200 per annum, rising to £300 from 25 December 2005 and to £450 per annum from 25 December 2038, on full repairing and insurance covenants.
2. In a statement of agreed facts attached to this decision as appendix A, the parties agreed the yield for both deferment of the freehold reversions and capitalisation of the ground rents at 7%, that the marriage value should be shared equally and a schedule of comparables. The issues were the value of the existing leases and the value of the freeholds.
3. Mr Conway, for the tenants, after an adjournment to allow a revision of his calculations, proposed enfranchisement prices of £35,000 - 19E and £35,900 - 19F and his valuation is attached at appendix B. Mr Reade's proposed prices for the landlord allow for the fact that 19F is fitted out and redecorated to a slightly higher standard than 19E. He reflected this difference by an allowance of £10,000 between the vacant possession freehold values. He considered that there had been a dramatic rise in property values in the St John's Wood area during the period between spring 1996 and summer 1997, within which both notices fell. In this context he adjusted the sales of houses at 36 Ordnance Hill and 6 Acacia Gardens to allow for differences in

factors such as location, size and condition to arrive at his valuation of the freehold of £570,000 - 19F and £560,000 - 19E.

For existing leasehold value, Mr Reade drew directly upon the comparables sold at 19C and 19G, treated as identical save as to possible differences in internal condition at date of sale, December 1996 and July 1998 respectively. He settled on values for the subject houses falling between the prices then achieved and claimed to have been able to validate his result by reference to the analysis of agreed premiums resulting from settlements on 19B sold on 16 March 1999 at £38,000 with a valuation date of 29 January 1996, and other modern town houses in the area.

£43,700 - 19E and £43,750 - 19F and his valuations are attached at appendix C

4. On 19 March 1999 we inspected the development, both houses internally and viewed the locations and exteriors of the agreed comparables.

Decision

Mr Conway identified as a great handicap the fact that the properties were so situated within the Hamilton House development that they could only be accessed by a walkway through the block and lacked direct vehicular access. He therefore identified 19G Grove End Road as the only real comparable. This property, emphasised as having value in being an end terrace, was sold in March 1998 for £455,000, during which time he considered prices had risen since the subject

valuation dates by between 10% and 20%. He also understood that the comparable listed at 19C which had a larger garden, had been substantially improved and that 19G had been sold with two garage spaces. This latter information was confirmed after adjournment to have been incorrect. On information supplied by Mr Reade allocated parking spaces are let on separate agreements and 19G was sold with one parking space.

Mr Reade approached the comparable evidence from the position that the subject houses were very similar, save that 19F is better fitted.

The Tribunal found that Mr Reade made better application of the comparables, in particular those in the same development, and generally preferred his evidence on matters such as the absence of any value to be attributed to an end terrace in this case. In consequence, subject to some moderate differences in detail, the Tribunal's valuation, attached to this decision at appendix D, has, in substance, arrived at purchase prices similar to those proposed by Mr Reade, and his valuations are therefore accepted.

Determination

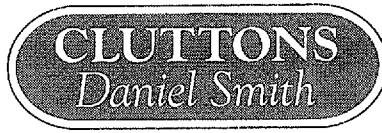
We therefore determined the price to be paid for the freeholds in possession of 19E and 19F Grove End Road, London NW8 are respectively, £43,700 and £43,750.

CHAIRMAN

John Dunman

DATE

114 JUN 1999



**THE LEASEHOLD VALUATION TRIBUNAL
19E & 19F GROVE END ROAD, ST JOHN'S WOOD
LONDON NW8**

STATEMENT OF AGREED FACTS



1. INTRODUCTION:

This Statement of Agreed Facts has been prepared by T P C Reade acting on behalf of the landlord, Sassoon Developments Limited and agreed by R Diggall acting on behalf of the lessees, A A Landau (19E) and Mrs G G F M Jenner (19F).

2. ISSUES TO BE DETERMINED BY THE LEASEHOLD VALUATION TRIBUNAL:

1. The enfranchisement price of 19E Grove End Road at 31 July 1997, the date of Notice of Claim.
2. The enfranchisement price of 19F Grove End Road as at 15 September 1997, the date of Notice of Claim.
3. The form of the Transfer in each case.

3. DETAILS OF THE ACT:

A valuation under Section 9(1C) is based on a Section 9(1A) valuation subject to modifications.

It provides that the price payable for a house and premises "shall be the amount which at the relevant time the house and premises, if sold on the open market by a willing seller, might be expected to realise."

The first assumption is "...that the vendor was selling for an estate in fee simple, subject to the tenancy, but on the assumption that this Part of the Act conferred no right to acquire the Freehold."

The second assumption is "...that at the end of the tenancy the tenant has the right to remain in possession of the house and premises under the provisions of the Landlord and Tenant Act 1954."

The third assumption is "...that the tenant has no liability to carry out any repairs, maintenance or redecorations under the terms of the tenancy or Part 1 of the Landlord and Tenant Act 1954."

The fourth assumption is "...that the price be diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenants or their predecessors in title at their own expense."

The fifth assumption is "...that the vendor was selling subject to and in respect of rent charges and other rents to the same annual charge as the conveyance to the tenant is to be subject to but the purchaser would otherwise be effectively exonerated until termination of the tenancy from any liability or charge in respect of the tenants' encumbrances."

The sixth assumption is "...that the vendor was selling with and subject to the rights and burdens and subject to which the conveyance to the tenant is to be made."

4. DESCRIPTION AND SITUATION:

The properties' location is marked on the location plan in **Appendix 1** and Ordnance Survey Plan in **Appendix 2**.

The properties are shown in the photograph in **Appendix 3**. Each comprises a modern terraced town house, built in the early 1970s, on ground, first and second floors of brick construction.

5. ACCOMMODATION:

The houses comprise the following accommodation:-

19E Grove End Road

Second Floor

Bedroom 1	3.70m	x	4.55m
Bathroom			
Separate WC			
Bedroom 2	3.50m	x	5.00m

First Floor

Master Bedroom	4.35m	x	4.55m
En-Suite Bathroom			
Bedroom 3	4.30m	x	2.50m

Ground Floor

Entrance Hall			
Kitchen	4.50m	x	2.45m
Reception/Dining Room	7.10m	x	4.55m
Access to rear patio			

Total Effective Floor Area 108m²/1163 sq ft
(excluding bathrooms and circulation space)



19F Grove End Road

Second Floor

Bedroom 1	4.30m	x	4.55m
Bathroom/WC			
Bedroom 2	3.55m	x	4.60m

First Floor

Master Bedroom	4.30m	x	4.55m
En-Suite Bathroom/WC			
Bedroom 3	4.30m	x	2.50m

Ground Floor

Entrance Hall			
Kitchen	2.40m	x	5.05m
Reception/Dining Room	6.85m	x	4.55m
Access to rear patio			

Total Effective Floor Area 110m²/1184 sq ft
(excluding bathrooms and circulation space)

6. RATEABLE VALUE:

The Rateable Value of 19E Grove End Road from 1 April 1973 was £1,451.

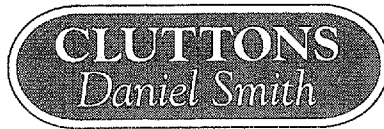
The Rateable Value of 19F Grove End Road from 1 April 1973 was £1,451.

The valuations in these cases are to be carried out under Section 9(1A) of the Leasehold Reform Act 1967.

7. LEASE DETAILS:

19E Grove End Road

The Lease is dated 31 July 1973 and was granted for a term of 99 years from 25 December 1972 to expire 24 December 2070. The initial ground rent was £200 per annum rising to £300 per annum with effect from 25 December 2005 and £450 per annum with effect from 25 December 2038. The Lease was granted on a full repairing and insuring basis.



19F Grove End Road

The Lease is dated 6 July 1973 and was granted for a term of 99 years from 25 December 1972 to expire 24 December 2070. The initial ground rent was £200 per annum rising to £300 per annum with effect from 25 December 2005 and £450 per annum with effect from 25 December 2038. The Lease was granted on a full repairing and insuring basis.

8. YIELD

The parties agree that the correct yield is 7% for both capitalisation of the ground rent income and deferment of the Freehold vacant possession value to its present value.

9. MARRIAGE VALUE

The parties agree that the Freeholder will receive 50% of the marriage value.

10. COMPARABLES

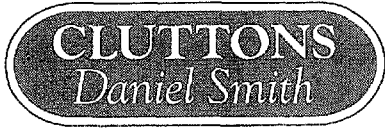
Appendix 4 contains an agreed schedule of comparables. Photographs of the comparables are shown in Appendix 5.

Signed by the Freeholder's Representative

T P C READE BSc ARICS, Cluttons Daniel Smith

Signed by Leaseholders' Representative:-

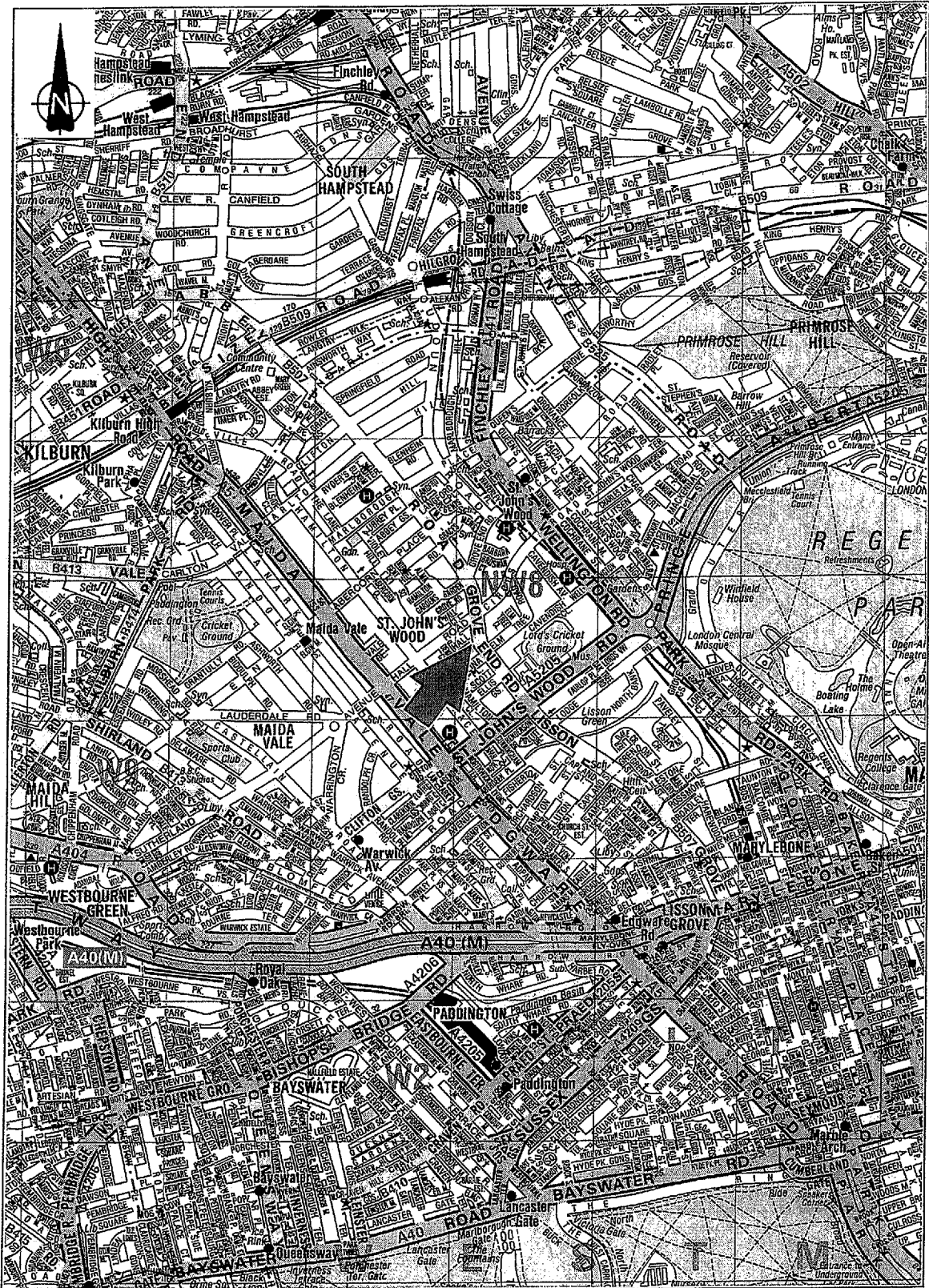
R DIGPAL, Conways



APPENDIX 1

**Location Plan of
19E & 19F Grove End Road NW8**

CLUTTONS
Daniel Smith

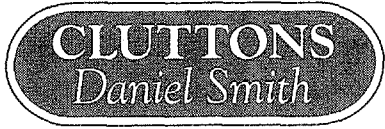


© Geographers A-Z Map Company Ltd.

Scale, 3 inches to 1 mile

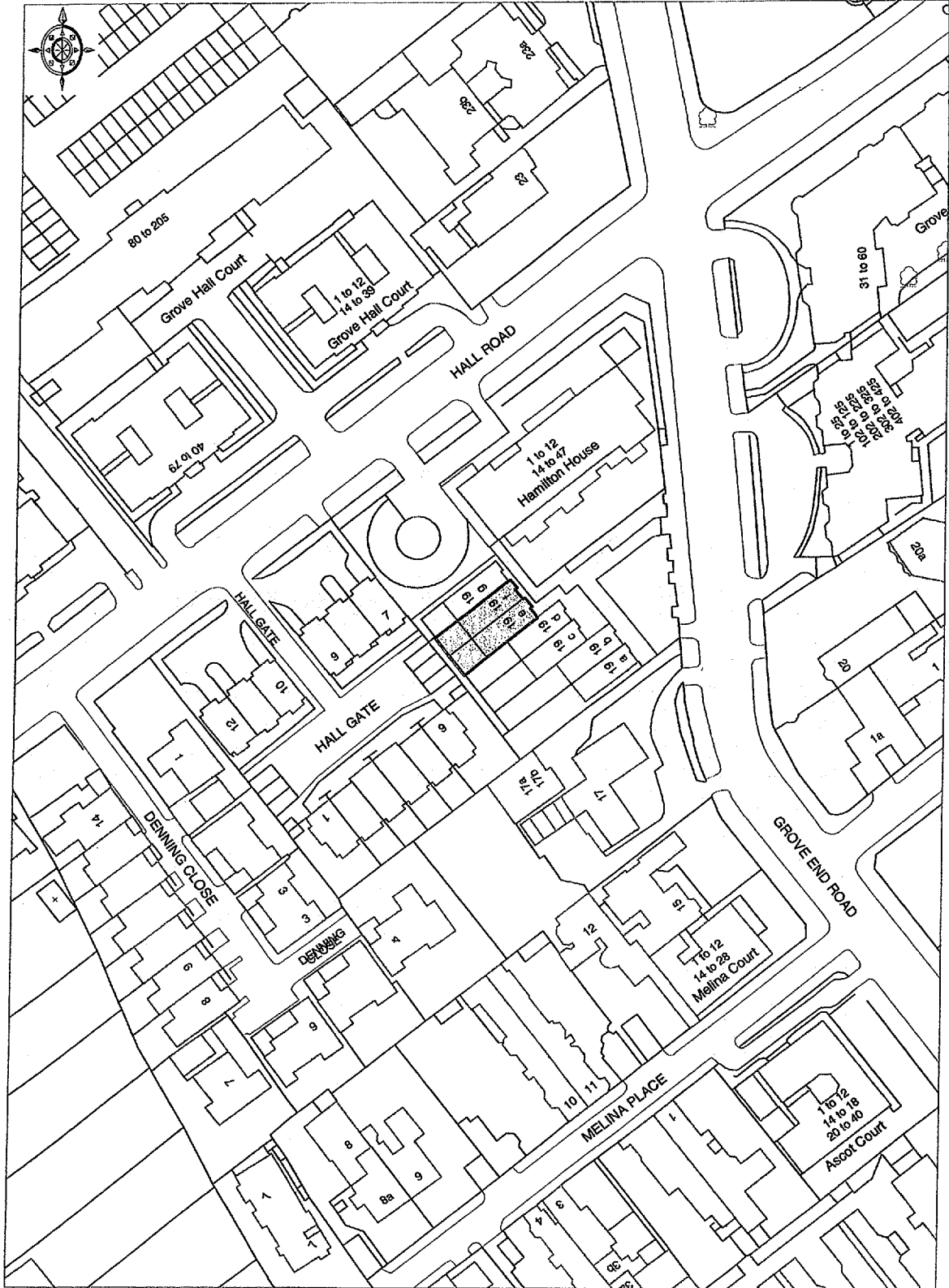
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19e and 19f Grove End Road
London NW8



APPENDIX 2

**Ordnance Survey Plan of
19E & 19F Grove End Road NW8**



© Crown Copyright 1999 Based on Ordnance Survey digital data Survey Scale - 1:1250 Plotted Scale - 1:1250
(Scales other than at Survey Scale should not be used for accurate measurement). Business occupancy data ©1999 Thomson Directories Ltd.



Ordnance Survey
Value Added Reseller

19e and 19f Grove End Road
London NW8



APPENDIX 3

**Photograph of
19E & 19F Grove End Road NW8**



Photograph of 19E & 19F Grove End Road NW8

APPENDIX 4

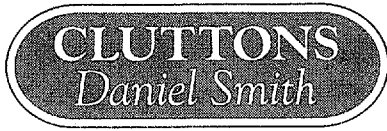
Agreed Schedule of Comparables

**19E AND 19F GROVE END ROAD,
LONDON NW8.**

ADDRESS	TYPE OF PROPERTY	APPROX 'A' AREA	ACCOMMODATION / AMENITIES	TENURE / LEASE LENGTH	GROUND RENT	PRICE	DISPOSAL DATE
SUBJECT PROPERTIES							
19E Grove End Road, NW8.	1970's, three storey terraced town house.	110m ²	4 bed, 2 bath (1 en-suite), reception/dining room, kitchen, separate WC, rear garden.	99 years from 25/12/1972 expiring 24/12/2071. Unexpired term 74.45 years.	£200 pa rising to £300 pa on 25/12/2005 and to £450 pa on 25/12/2038.		Valuation Date : 31 July 1997
19F Grove End Road, NW8.	1970's, three storey terraced town house.	108m ²	4 bed, 2 bath (1 en-suite), reception/dining room, kitchen, rear garden.	99 years from 25/12/1972 expiring 24/12/2071. Unexpired term 74.30 years.	£200 pa rising to £300 pa on 25/12/2005 and to £450 pa on 25/12/2038.		Valuation Date : 15 September 1997
FREEHOLD COMPARABLES							
36 Ordnance Hill, NW8.	End of terrace three storey modern town house.	81 m ² 871 sq ft	INTERNAL : 3 bedrooms, 1 bathroom, 1 shower room, reception room, kitchen, utility room. EXTERNAL : garage, 1 OSP.	FREEHOLD	N/A	£540,000	July 1997 Winkworth
6 Acacia Gardens, NW8.	End of terrace three storey modern town house	108 m ² 1163 sq ft	INTERNAL : 4 bedrooms , 2 bathrooms (1 en suite) , 2 reception rooms, kitchen/ breakfast room, 2 guest cloakrooms. EXTERNAL : garage.	FREEHOLD	N/A	£575,000	February 1998 Aston Chase

**19E AND 19F GROVE END ROAD,
LONDON NW8.**

ADDRESS	TYPE OF PROPERTY	APPROX. 'A' AREA	ACCOMMODATION / AMENITIES	TENURE / LEASE LENGTH	GROUND RENT	PRICE	DISPOSAL DATE
SUBJECT PROPERTIES							
19E Grove End Road, NW8.	1970's, three storey terraced town house.	110m ²	4 bed, 2 bath (1 en-suite), reception/dining room, kitchen, separate WC, rear garden.	99 years from 25/12/1972 expiring 24/12/2071. Unexpired term 74.45 years.	£200 pa rising to £300 pa on 25/12/2005 and to £450 pa on 25/12/2038.		Valuation Date : 31 July 1997
19F Grove End Road, NW8.	1970's, three storey terraced town house.	108m ²	4 bed, 2 bath (1 en-suite), reception/dining room, kitchen, rear garden.	99 years from 25/12/1972 expiring 24/12/2071. Unexpired term 74.30 years.	£200 pa rising to £300 pa on 25/12/2005 and to £450 pa on 25/12/2038.		Valuation Date : 15 September 1997
LEASEHOLD COMPARABLES							
19C Grove End Road, NW8.	1970's, three storey terraced town house.	Not known but similar	4 bed, 2 bath (1 en-suite), reception/dining room, kitchen, rear garden.	99 years from 25/12/1972 expiring 24/12/2071. Unexpired term 74.90 years.	£200 pa rising to £300 pa on 25/12/2005 and to £450 pa on 25/12/2038.	£500,000	December 1996
19G Grove End Road, NW8.	1970's, three storey terraced town house.	Not known but similar	4 bed, 2 bath (1 en-suite), reception/dining room, kitchen, rear garden.	99 years from 25/12/1972 expiring 24/12/2071. Unexpired term 73.45 years.	£200 pa rising to £300 pa on 25/12/2005 and to £450 pa on 25/12/2038.	£465,000	July 1998

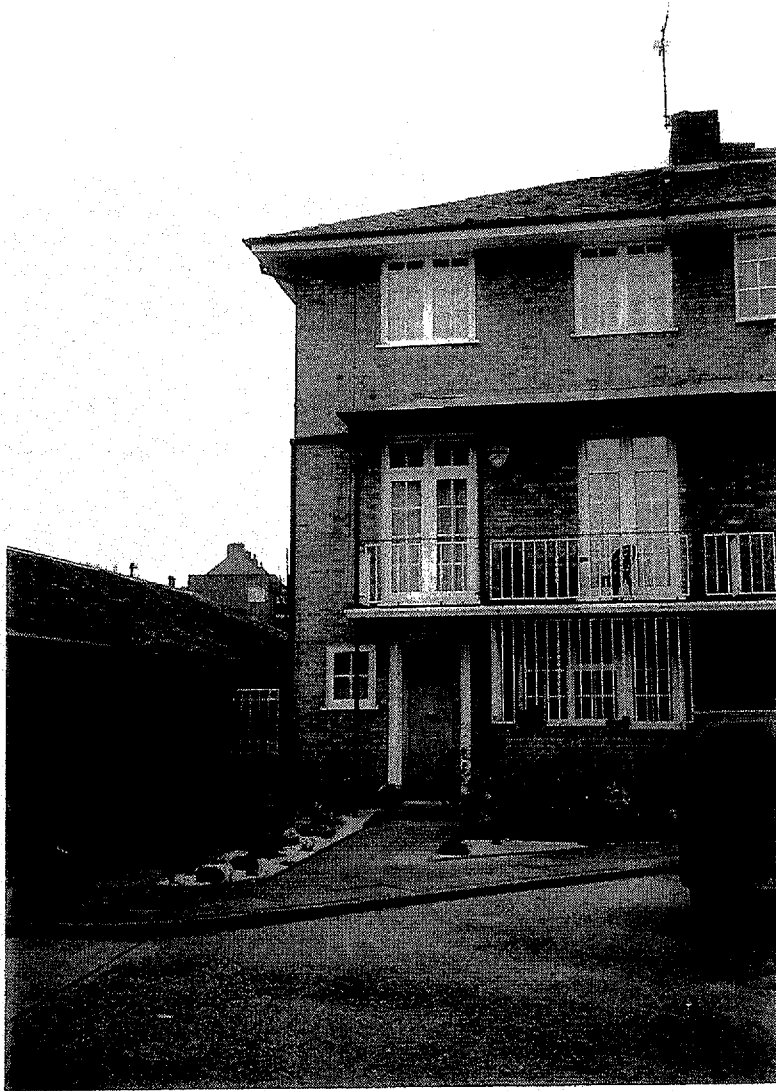


APPENDIX 5

Photographs of the Comparables

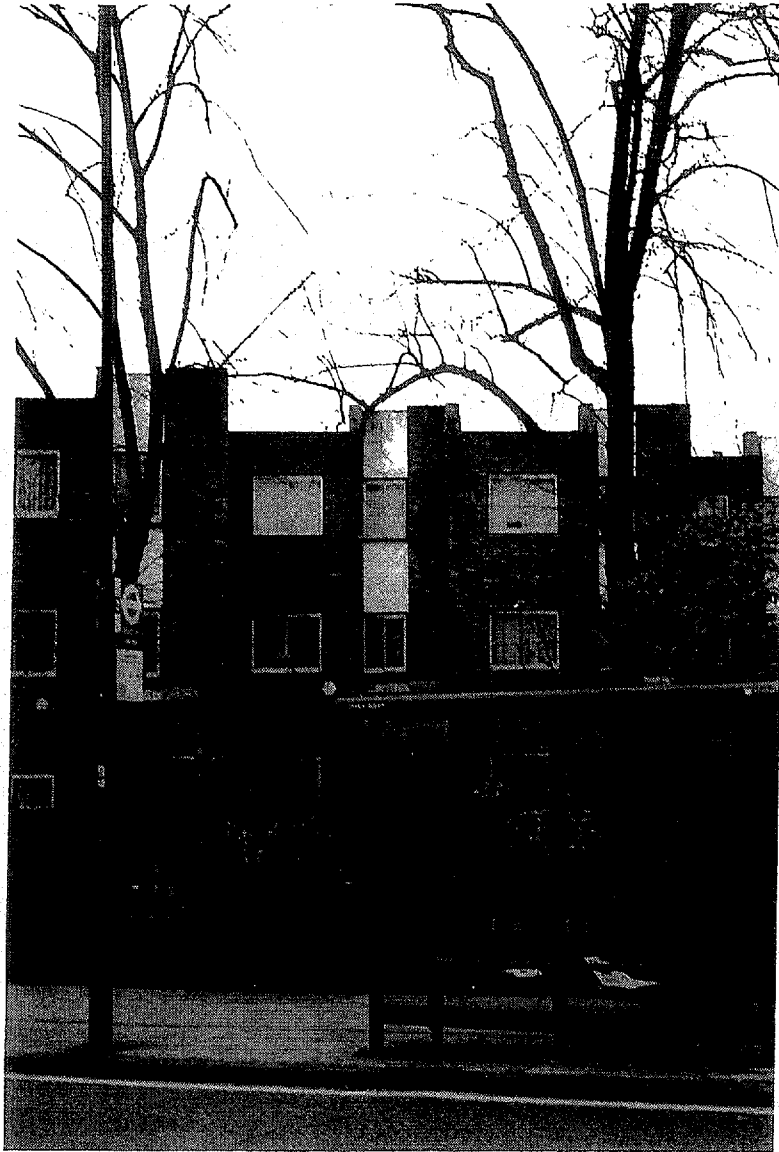


Photograph of 36 Ordnance Hill NW8



Photograph of 6 Acacia Gardens NW8

CLUTTONS
Daniel Smith



Photograph of 19C Grove End Road NW8



Photograph of 19G Grove End Road NW8

19E and 19F Grove End Road, St. John's Wood, London, NW8

19G Grove End Road sold for	£465,000.00
Less adjustment for one car parking space	£ 20,000.00

Leasehold value of house only	£445,000.00
Add difference between Freehold and Leasehold Values	£ 70,000.00

Potential value of FHVP @ March 1998	£515,000.00

Calculation for 19E Grove End Road

FHVP	£515,000.00
Less 7% house price inflation	£ 36,000.00
Less mid terrace allowance	£ 23,950.00

	£455,050.00

But say	£455,000.00

Therefore the value of the FHVP as at July 1997 is approximately £455,000.00.

Calculation for 19F Grove End Road

FHVP	£515,000.00
Less 5% house price inflation	£ 25,750.00
Less mid terrace allowance	£ 24,463.00

	£464,787.00

But say	£465,000.00

Therefore the value of the FHVP as at September 1997 is approximately £465,000.00.

19E Grove End Road

Term 1	Ground Rent	£200.00	
	x YP 9 years @ 7%	6.52	£1,300.00

Term 2	Ground Rent	£300.00	
	x YP 33 years @ 7%	12.75	
	x PV 9 years @ 7%	0.5439	£2,000.00
Term 3	Ground Rent	£450.00	
	x YP 33 years @ 7%	12.75	
	x PV 42 years @ 7%	0.0583	£ 350.00
Reversion	FHVP (19E)	£455,000.00	
	x PV 74 years @ 7%	0.0067	£3,050.00

			£6,700.00

Marriage Value		
FHVP		£455,000.00
Less lessors interest £6,700.00		
Lessees interest £391,300.00		£398,000.00

Marriage Value		£ 57,000.00
Take 50% of MV		£ 28,500.00

Therefore enfranchisement price is £35,000.00

19F Grove End Road

Capitalisation of ground rents as above and the figure is approximately £6,700.00.

Marriage Value		
FHVP		£465,000.00
Less lessors interest £6,700.00		
Lessees interest £399,900.00		£406,600.00

Marriage Value		£ 58,400.00
Take 50% of MV		£ 29,200.00

Therefore enfranchisement price is £35,900.00

Therefore the enfranchisement values of the properties are as follows :-

19E Grove End Road	£35,000.00
19F Grove End Road	£35,900.00

NOTES:

1. An allowance has been made to reflect the fact that the car parking space is subject to a separate lease.

2. The Leasehold values are taken at 86% of the Freehold value (based on Clutton's graph).
3. The house price inflation index is to reflect the difference between the date of the notice and the date of the transaction of the comparable evidence.
4. The fact that the houses are mid terrace decreases the value by 5%.
5. The lessees interest has been taken at 86% (based on Clutton's graph).

THE LEASEHOLD REFORM ACT 1967

DATE:- 05/03/99

PROPERTY 19E GROVE END ROAD, LONDON NW8.

NOTICE DATE 31/07/97

LEASE DETAILS

DATE	03/08/73
TERM	99
EXPIRY DATE	24/12/71
UNEXPIRED TERM	74.45
GROUND RENT	£200 to 25/12/05
	£300 from 25/12/05
	£450 from 25/12/38

VALUES

FHVP	£560,000
EXISTING LEASE	£480,000
LESSEE'S IMPROVEMENTS	£0

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT	£200	
	x YP	8.45 years @ 7.00%	6.2197

			£1,244
<u>TERM 2</u>	GROUND RENT	£300	
	x YP	33.00 years @ 7.00%	12.7538
	x PV	8.45 years @ 7.00%	0.5646

			£2,160
<u>TERM 3</u>	GROUND RENT	£450	
	x YP	33.00 years @ 7.00%	12.7538
	x PV	41.45 years @ 7.00%	0.0605

			£347
<u>REVERSION</u>	FHVP	£560,000	
	x PV	74.45 years @ 7.00%	0.00649

			£3,636

			£7,387

Lessor's present interest

£7,387

(please turn over)

MARRIAGE VALUE

	FHVP	£560,000
<u>Less</u>	Lessor's Present Interest	£7,387
	Lessees' Present Interest	£480,000
	Marriage Value	£72,613

Take 50% Marriage Value £36,306

TOTAL £43,693

SAY £43,700

THE LEASEHOLD REFORM ACT 1967

DATE:- 05/03/99

PROPERTY 19F GROVE END ROAD, LONDON, NW8.

NOTICE DATE 15/09/97

LEASE DETAILS

DATE 03/08/73
TERM 99
EXPIRY DATE 24/12/71
UNEXPIRED TERM 74.30
GROUND RENT £200 to 25/12/05
£300 from 25/12/05
£450 from 25/12/38

VALUES

FHVP £570,000
EXISTING LEASE £490,000
LESSEE'S IMPROVEMENTS £0

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT			£200
	x YP	8.30 years @	7.00%	6.1396

				£1,228
<u>TERM 2</u>	GROUND RENT			£300
	x YP	33.00 years @	7.00%	12.7538
	x PV	8.30 years @	7.00%	0.5702

				£2,182
<u>TERM 3</u>	GROUND RENT			£450
	x YP	33.00 years @	7.00%	12.7538
	x PV	41.30 years @	7.00%	0.0611

				£351
<u>REVERSION</u>	FHVP			£570,000
	x PV	74.30 years @	7.00%	0.00656

				£3,737

Lessors present interest

£7,498

(please turn over)

MARRIAGE VALUE

	FHVP	£570,000	
<u>Less</u>	Lessor's Present Interest	£7,498	
	Lessees' Present Interest	£490,000	
	Marriage Value	<u>£72,502</u>	
	Take	50% Marriage Value	<u>£36,251</u>
		TOTAL	£43,749
		SAY	<u>£43,750</u>

THE LEASEHOLD REFORM ACT 1967

PROPERTY 19E GROVE END ROAD, LONDON NW8.

NOTICE DATE 31/07/97

LEASE DETAILS

DATE	03/08/73
TERM	99
EXPIRY DATE	24/12/71
UNEXPIRED TERM	74.45
GROUND RENT	£200 to 25/12/05 £300 from 25/12/05 £450 from 25/12/38

VALUES

FHVP	£520,000
EXISTING LEASE	£400,000
LESSEE'S IMPROVEMENTS	£0

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT	£200	
	x YP	8.45 years @ 7.00%	6.2197
			<hr/>
			£1,244
<u>TERM 2</u>	GROUND RENT	£300	
	x YP	33.00 years @ 7.00%	12.7538
	x PV	8.45 years @ 7.00%	0.5646
			<hr/>
			£2,160
<u>TERM 3</u>	GROUND RENT	£450	
	x YP	33.00 years @ 7.00%	12.7538
	x PV	41.45 years @ 7.00%	0.0605
			<hr/>
			£347
<u>REVERSION</u>	FHVP	£520,000	
	x PV	74.45 years @ 7.00%	0.00649
			<hr/>
			£3,375
			<hr/>
			£7,126

Lessor's present interest

£7,126

(please turn over)

THE LEASEHOLD REFORM ACT 1967

PROPERTY 19F GROVE END ROAD, LONDON, NW8.

NOTICE DATE 15/09/97

LEASE DETAILS

DATE 03/08/73
TERM 99
EXPIRY DATE 24/12/71
UNEXPIRED TERM 74.30
GROUND RENT £200 to 25/12/05
£300 from 25/12/05
£450 from 25/12/38

VALUES

FHVP £530,000
EXISTING LEASE £450,000
LESSEE'S IMPROVEMENTS £0

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT			£200	
	x YP	8.30 years @	7.00%	6.1396	
					£1,228
<u>TERM 2</u>	GROUND RENT			£300	
	x YP	33.00 years @	7.00%	12.7538	
	x PV	8.30 years @	7.00%	0.5702	
					£2,182
<u>TERM 3</u>	GROUND RENT			£450	
	x YP	33.00 years @	7.00%	12.7538	
	x PV	41.30 years @	7.00%	0.0611	
					£351
<u>REVERSION</u>	FHVP			£530,000	
	x PV	74.30 years @	7.00%	0.00656	
					£3,477
					<u>£7,238</u>

Lessors present interest

£7,238

(please turn over)

MARRIAGE VALUE

			£520,000	
<u>Less</u>	FHVP			
	Lessor's Present Interest		£7,126	
	Lessees' Present Interest		£448,000	
			<hr/>	
	Marriage Value		£72,874	
				£364,37
	Take	50% Marriage Value		<hr/>
			TOTAL	£43,563
			SAY	£43,700

as landlords valuation