

LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATIONS UNDER
S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: The Trevor Estate Ltd

Respondents: Mr M Bertelsen (No 16)
Mr E Rahinzadeh (No 18)
Mr T Goddard (No 22)

RE: 16, 18 and 22 Trevor Place, London SW7.

RV at date when Tenant's Notice was given: No 16 - £701
No 18 - £826
No 22 - £847

Date of Tenant's Notice: No 16 - 15 April 1998
No 18 - 15 April 1998
No 22 - 20 April 1998

Applications to the Tribunal dated: - 23 October 1998

Heard: 24 August 1999

Appearances:

Mr D J Greenish (Lee & Pembertons, solicitors)
Mr P H Marr - Johnson B.Sc ARICS (Marr - Johnson & Stevens)
Mr R Hobart (Hobart Slater)

for the Tenants

Mr M J W Duncan (W A Ellis)

for the Landlord

Members of the Leasehold Valuation Tribunal
Mrs J McGrandle B.Sc (Est Man) ARICS MRTPI (Chairman)
Dr A M Fox B.Sc PhD ACI Arb
Mr O N Miller B.Sc

Date of the Tribunal's decision: 22 September 1999.

1.0 Introduction

1.1 This case concerns three separate applications made by the freeholders, The Trevor Estate Ltd., for the determination of the enfranchisement price as at April, 1998, the date of each notice of claim, for the freehold interest under S.9(1C) of the Leasehold Reform Act, 1967 ("the 1967 Act") as amended by the Leasehold Reform, Housing and Urban Development Act, 1993 ("the 1993 Act") in respect of:

Address	Lessee
16 Trevor Place	Mr M. Bertelsen
18 Trevor Place	Mrs E. Rahimzadeh
22 Trevor Place	Mr T. Goddard

1.2 The 3 leases were acquired variously in January, 1999 (No.16), 1986 (No.18), July, 1999 (No.22). All are held from Trevor Square Ltd. as follows:

No.16: Term of 38.5 years from 24.6.72 expiring 25.12.2010
No.18: Term of 38.5 years from 24.6.72 expiring 25.12.2010
No.22: Term of 38.25 years from 29.9.72 expiring 25.12.2010

1.3 At the valuation date the unexpired term was 12.7 years and the rent payable under each lease was £80 per annum with no provision for review.

1.4 Following the hearing, the Tribunal inspected all three properties and also 28, Trevor Place, one of the comparables, and made an external inspection of all the other comparables.

2.0 The properties

2.1 These comprise three west-facing stucco-fronted terraced houses on the east side of Trevor Place, SW7. Unlisted, they date from about 1840 and are within the Knightsbridge Conservation Area. The 4-storey (ex mansard) houses have full basements, Nos.16 and 22 having secondary access from the street; there are small 1st floor balconies. Each house has a small rear patio which abuts the houses in Trevor Square. Each house differs as to 1) roof extensions 2) rear extensions and 3) degree of modernisation both pre- and post- the 1972 leases.

1) Roof extensions

No. 16 has a pre-1972 mansard extension which falls to be included in the valuation, No. 18 an original attic only and No. 22 a post-1972 mansard which falls to be excluded from the valuation.

2) Rear extensions

Nos. 16 and 18 have 3-storey rear extensions and No.22 a 2-storey extension.

3) Degree of modernisation

No. 16 has not been modernised (apart from tenant's central heating) since the entering into of the 1972 lease. In particular, there is limited ceiling height in the basement and

a narrow, winding staircase to the full mansard floor. GIA = 2185 sq.ft.

No.18 was modernised post-1972 and further modernised in 1985 by the present tenant although it still retains its original attic with narrow, winding staircase. GIA = 1859 sq.ft.

No.22 was improved and modernised in 1984 by a previous tenant including the building of a new mansard floor with new staircase and also basement excavation. GIA (ex the mansard) = 1805 sq.ft.

2.2 The location of the properties within Knightsbridge and their relationship to "The Trevors" is adequately described in the evidence which is on file. The only other points worth mentioning are 1) that Trevor Place south of its junction with Montpelier Square is one-way down to the west side of Trevor Square and consequently carries less traffic than most of the nearby streets, and 2) that the whole of the west side of Trevor Square is without mansards hence accounting for some relatively small floor areas.

3.0 Agreed Facts

3.1 A Statement of Agreed Facts is attached as Appendix 1.

- Capitalisation and deferment rates are agreed @ 6%
- The marriage value is to be split 50:50
- VP values of the existing leases are to be 25% of the freehold values

3.2 In addition to this statement it is agreed that the valuation date is April 1998 and that each property is to be valued as unimproved ie disregarding any improvements carried out by the applicants or their predecessors in title post the granting of the respective leases in 1972.

4.0 Issue

4.1 The freehold vacant possession value of Nos.16,18 and 22, Trevor Place respectively.

4.2 Valuations prepared by Mr Duncan for the applicant and Mr Marr-Johnson for the respondents show the following figures:

Trevor Place	Freehold VP value		Enfranchisement price	
	Applicant £	Respondents £	Applicant £	Respondents £
16	980,000	780,000	604,466	471,000
18	867,000	734,200	534,807	451,000
22	842,000	744,200	519,396	457,000

5.0 Hearing

1) The Case for the Applicant

5.1 Mr Duncan, giving evidence on behalf of the applicant, asked the Tribunal to regard No.16 Trevor Place as a "datum point" to be used in the valuation of the other two properties in that (apart from tenant's central heating) it was unimproved and therefore formed a useful guide to the condition of all three houses at the start of their leases in

1972. He asked the Tribunal to note certain items of disrepair. He regarded this property as having reached its full development potential.

5.2 Mr Duncan referred the Tribunal to 7 freehold transactions included in the Statement of Agreed Facts:

27 Trevor Place
28 Trevor Place
3 Sterling Street
6 Trevor Street
6 Sterling Street
35 Trevor Square
26 Trevor Square

and commented briefly on each transaction. He regarded Nos. 27,28 Trevor Place as selling at a discount because of locational disadvantages and the price of No.3 Sterling Street to be unduly low. He had added No. 6 Sterling Street to counter-balance the transaction at No.3 although in his view extending the area of comparables to Sterling Street was unnecessarily wide. The floor area at No. 35 Trevor Square had been overstated by virtue of a near-derelict rear extension. Apart from No.6 Sterling Street, all houses at time of sale needed refurbishment. In particular, No. 28 Trevor Place was dilapidated and virtually unmodernised.

5.3 On the basis of an analysis of these transactions, he assessed the freehold VP value of each of the subject properties at the valuation date at a uniform rate of £450 per sq.ft GIA (the GIA being calculated net of improvements) which he regarded as "sitting comfortably" with the balance of the evidence. To this figure he then added where appropriate a figure for development potential. He assessed this potential @ 50% of his main value ie @£225 per sq.ft. In the case of No.18, this reflected the potential for demolition of the existing attic and its replacement with a mansard. In the case of No. 22, this reflected the potential for the building of a mansard (the existing mansard being a tenant's improvement and therefore theoretically to be disregarded). In both cases the development potential was valued @ £72,000.

5.4 Accordingly, he asked the Tribunal to determine the enfranchisement prices as set out in para. 4.2 above. The valuations are attached as Appendix 2(a) (b) (c).

2) The Case for the Respondents

5.5 Mr Hobart was called to give evidence on the freehold values of each of the 3 houses. He approached the exercise by adopting a hypothetical valuation:

"a similar hypothetical house in Trevor Place assuming: 4-storey house with additional full mansard floor and usable basement, in full repair, but unimproved, and with benefit of small patio garden; this house being of a similar size (c.2,033 - 2,185 sq.ft.) and location as the three houses in question"

to which the necessary adjustments could then be made.

5.6 He considered only the first four comparables:

27 Trevor Place

28 Trevor Place
3 Sterling Street
6 Trevor Street

to be relevant, with Nos. 27,28 Trevor Place the soundest properties for comparison purposes. In his view, No. 6 Sterling Street, having been totally refurbished, was simply not comparable, while houses in Trevor Square commanded a higher range of values.

5.7 Making adjustments to the transaction prices for differing location, size, garden, quality of accommodation, passage of time, state of repair, he estimated the value of a hypothetical house in Trevor Place on the terms specified to be £850,000.

5.8 Finally, Mr Marr-Johnson summarised the valuation evidence for the respondents, adopting for the purpose of his valuations Mr Hobart's hypothetical capital value of £850,000 and discounting according to the circumstances of each of the 3 houses for the following:

- Gas central heating and HW
- Full excavation of the basement
- Mansard floor
- Degree of modernisation
- New bath/shower rooms

5.9 He attributed the sum of £9,200 to the potential development value of a mansard (Nos.18 and 22).

5.10 Based on resultant freehold values, he asked the Tribunal to determine the enfranchisement prices as set out above in para.4.2. His valuations are attached as Appendix 3(a) (b) (c).

5.11 To conclude, there was a considerable difference of opinion between the parties on freehold values, No.16, for example, being valued by Mr Duncan @ £980,000 and by Mr Marr-Johnson @ £780,000, a margin of some 25%.

6.0 Decision

6.1 Both valuation approaches - Mr Duncan's for the applicant on a "price per sq.ft." basis and Mr Hobart's for the respondents on a "similar hypothetical house" basis - involved considerable subjective judgement.

6.2 Mr Duncan had settled on an "average" price per sq.ft. based on comparable transactions and then applied this to the subject properties. He then increased his valuation of the subject properties where relevant to reflect development potential. He had overlooked, however, when reaching his "average" price per sq.ft., that some of the comparable transactions themselves might have reflected the value of development potential; by failing to take account of this point, he overstated the value of the subject properties. This became evident with his valuation of No.16 @ £980,000, a figure vastly in excess of the majority (5) of the 7 agreed comparables, despite No.16's relatively poor condition, restricted basement height etc, and only 10% short of the resale price of the refurbished and extended No.6 Trevor Street (£1,075,000 at more or less the valuation date).

6.3 Mr Hobart's approach involved the need for both himself and Mr Marr-Johnson to make numerous adjustments to the "similar hypothetical house" valuation, all of which increased the margin for error. In particular, the Tribunal found Mr Marr-Johnson's assessment of mansard development potential (£9,200), equivalent to 1.25% of his total value of No.16 (£780,000) or 9% of Mr Hobart's mansard roof value of 6 Trevor Street (£105,000), to be totally unrealistic. The ability to create incremental floor space is at a premium everywhere in Central London, nowhere more so than in Knightsbridge. Some indication of the value of a new mansard was given by the 2 transactions at 6 Trevor Street before (£832,000) and after (£1,075,000) the building of the mansard with accompanying refurbishment.

6.4 The Tribunal therefore had to try and reach a credible solution with the benefit of the agreed comparables.

6.5. We accepted Mr Duncan's view that 16 Trevor Place, unimproved and in some disrepair but with a full mansard and fully developed, provided a datum point for valuation from which the values of Nos. 18 and 22 could then be derived. Further, that Nos. 18 and 22 were to be valued without mansards but with the potential for a mansard extension. In this, we have accepted the approach adopted by both parties that the value of the existing attic at No. 18 was negligible. No evidence was given that there might be any other kind of development potential attaching to these 2 properties although on inspection it was noted that No. 22 had only a 2-storey back addition whereas Nos. 16 and 18 had 3-storeys.

6.6 The Tribunal started by examining the list of 7 agreed comparables. They accepted Mr Hobart's view that little weight should be attached to 6 Sterling Street as it was a totally reconstructed house - the sale particulars indicated this- and that Trevor Square transactions represented a higher range of values and should also not be accorded too much weight. They also accepted Mr Duncan's opinion that 3 Sterling Street was undervalued.

6.7 This then left for detailed consideration the following 3 comparables:

1) 27 Trevor Place

GIA:2281 sq.ft. Sold October 1997 @ £850,000, equivalent to **£892,000** at valuation date.

In the Tribunal's view this sale reflected development potential, namely, the ability to demolish the existing mansard and create a larger, more modern one (see comparison of photographs on file). Mr Duncan's price per sq.ft. should accordingly have been discounted.

2) 28 Trevor Place

GIA: 2410 sq.ft. Sold March 1999 @ £835,000 equivalent to **£801,000** at valuation date. No development potential, confirmed on inspection.

3) 6 Trevor Street

GIA in order of 1767/1850 sq.ft. Sold June, 1997 @ £750,000, equivalent to **£832,500** at valuation date.

There was development potential here for adding a minimum of a mansard roof. Again, Mr Duncan should have discounted.

Re-sold February 1998 for £1,075,000 with new mansard and also newly re-furbished.
New GIA = 2,110 sq.ft.

6.8 In the Tribunal's view all these 3 comparables were helpful, although the difference in price achieved between Nos.27 and 28 Trevor Place, two neighbouring houses not so vastly different, indicates the difficulty of valuing in an unpredictable market place where personal factors influencing sale price can vary appreciably between one sale and another; where the cycle of re-furbishment can be as short as 6 months; where purchasers do not value property on a residual basis. Although the comparables can only be used as a guide, the Tribunal found the sales of Nos.27 Trevor Place and 28 Trevor Place, described by Mr Hobart as the soundest comparables, to be particularly helpful with the additional factors:

- 1) Located in the same one-way , quiet section of Trevor Place
- 2) Located within the shadow of Harrods Depository where there are development proposals for conversion to a hotel. Whatever the outcome of these proposals, and we are talking of a substantial commercial project, these 2 comparable properties and the 3 subject properties are likely to be more or less equally affected.

6.9 No. 28 Trevor Place was in the Tribunal's view the best comparable because it was fully developed and therefore the sale price (£801,000 at valuation date) had already eliminated the uncertainty inherent in valuing development potential. The Tribunal were able to make an internal inspection of this property and found it altogether more substantial than any of the 3 subject properties. It was not dilapidated, as described by Mr Duncan; the building over of the rear garden with a utility room was not however ideal. There was overlooking from the rear of the Montpelier Square houses, notably on to the ground floor rear terrace. Also the west-facing elevation of the subject properties gave better natural light. All in all, it was despite these negative points a rather better property, especially bearing in mind that No. 16 still retained its limited height basement.

6.10 Taking an overall view of the evidence, therefore, including the range of comparables presented, the Tribunal concluded that the freehold VP value of No. 16 Trevor Place at the valuation date was £825,000 and of Nos. 18 and 22 Trevor Place, £790,000 each. In this case the margin (with mansard/with development value for mansard) is estimated to be no more than £35,000, reflecting on the one hand the fact that the mansard at No.16 is now relatively old and likely to require some kind of overhaul in the short term and on the other hand the premium which purchasers are prepared to pay for the opportunity to create incremental floorspace in Knightsbridge.

6.11 From these figures the Tribunal have determined enfranchisement prices as follows:

Trevor Place	
No.16	£508,900
No.18	£487,350
No.22	£487,350

SIGNED..... *J. McGrandle*

DATE..... *22. 9. 99.*



NOS. 16, 18 & 22 TREVOR PLACE, LONDON SW7**1. THE VALUATION PROCESS**

- 1.1 Capitalisation and deferment rates are agreed at 6%.
- 1.2 Marriage value sharing is agreed at 50/50.
- 1.3 It is agreed that the vacant possession values of the existing leases will be expressed at 25% of the freehold vacant possession values when the latter are ascertained.
- 1.4 Accordingly, the only outstanding issue is in respect of the said freehold vacant possession values.

2. THE SUBJECT PROPERTIES : BRIEF DESCRIPTIONS

- 2.1 These are mid-terrace houses, built in the early 1800's, and forming part of the so called 'Knightsbridge Village', between Brompton Road and Hyde Park. The houses are identified on the Ordnance Survey sheet extract attached hereto.
- 2.2 No. 16 is built over basement, ground, first and second floors, with a mansarded third floor. It has a gross internal area ('GIA') of 2185 sq ft. The property's central heating system was installed by the lessee or a predecessor in title and is therefore an improvement which would fall to be disregarded in the valuation process.
- 2.3 No. 18 is built over basement, ground, first and second floors with an attic above second floor. The GIA of the four principal floors is 1859 sq ft and that of the attic is 92 sq ft. Subject to Planning Permission and other necessary consents, there is potential for removing the existing attic and erecting a full mansarded third floor, which would have a GIA estimated at 320 sq ft. The central heating system, the second floor bathroom and the basement shower room are improvements which would fall to be disregarded in the valuation process.
- 2.4 No. 22 is built over basement, ground, first and second floors with a mansarded third floor. However, the mansarded third floor is identified as a tenant's improvement, replacing a former attic room; also excavation of the basement to improve the floor-to-ceiling height. Prior to erection of the mansarded third floor (which itself has a GIA of 320 sq ft), the GIA was 1805 sq ft.

3. THE EXISTING LEASES

- 3.1 All the leases have terms expiring 25th December 2010, each at a fixed rent of £80 p.a.

3.2 The lessees have full repairing and insuring liabilities.

3.3 Copies of the leases are annexed to this Statement.

4. THE 1967 ACT CLAIMS

4.1 The claim in respect of no.16 was lodged by the then tenant, Professor A G Guest, in April 1998.

4.2 The claim in respect of no. 18 was lodged by the tenant, Mrs Rahimzadeh, also in April 1998.

4.3 The claim in respect of no. 22 was lodged by the then tenant, Mrs Wegener, again in April 1998.

5. EVIDENCE OF COMPARABLE TRANSACTIONS

5.1 Attached are copy sale particulars in respect of the principal comparable transactions on which the parties rely. The parties accept the accuracy of the information provided by those sale particulars, except that no. 6 Sterling Street is described as 'a totally re-built period house ...' and it should better be described as 'reconstructed internally'.

5.2 The terms of the comparable transactions (all freehold) are summarised below:-

(i) No. 27 Trevor Place (GIA 2281 sq ft) sold October 1997 at £850,000.

(ii) No. 28 Trevor Place (GIA 2420 sq ft) sold March 1999 at £835,000.

(iii) No. 3 Sterling Street (GIA 1850 sq ft) sold November 1998 at £665,000.

(iv) No. 6 Sterling Street (GIA 1840 sq ft) sold March 1997 at £975,000.

(v) No. 6 Trevor Street (GIA not known) sold June 1997 at £750,000.

(vi) No. 35 Trevor Square (GIA 2098 sq ft) sold January 1999 at £835,000.

(vii) No. 26 Trevor Square (GIA 1928 sq ft) sold January 1998 at £975,000.

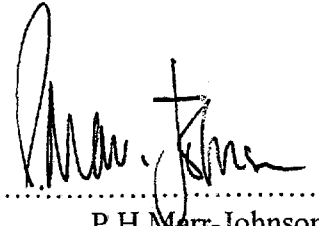
Signed on behalf of the parties by:

For the Freeholders:



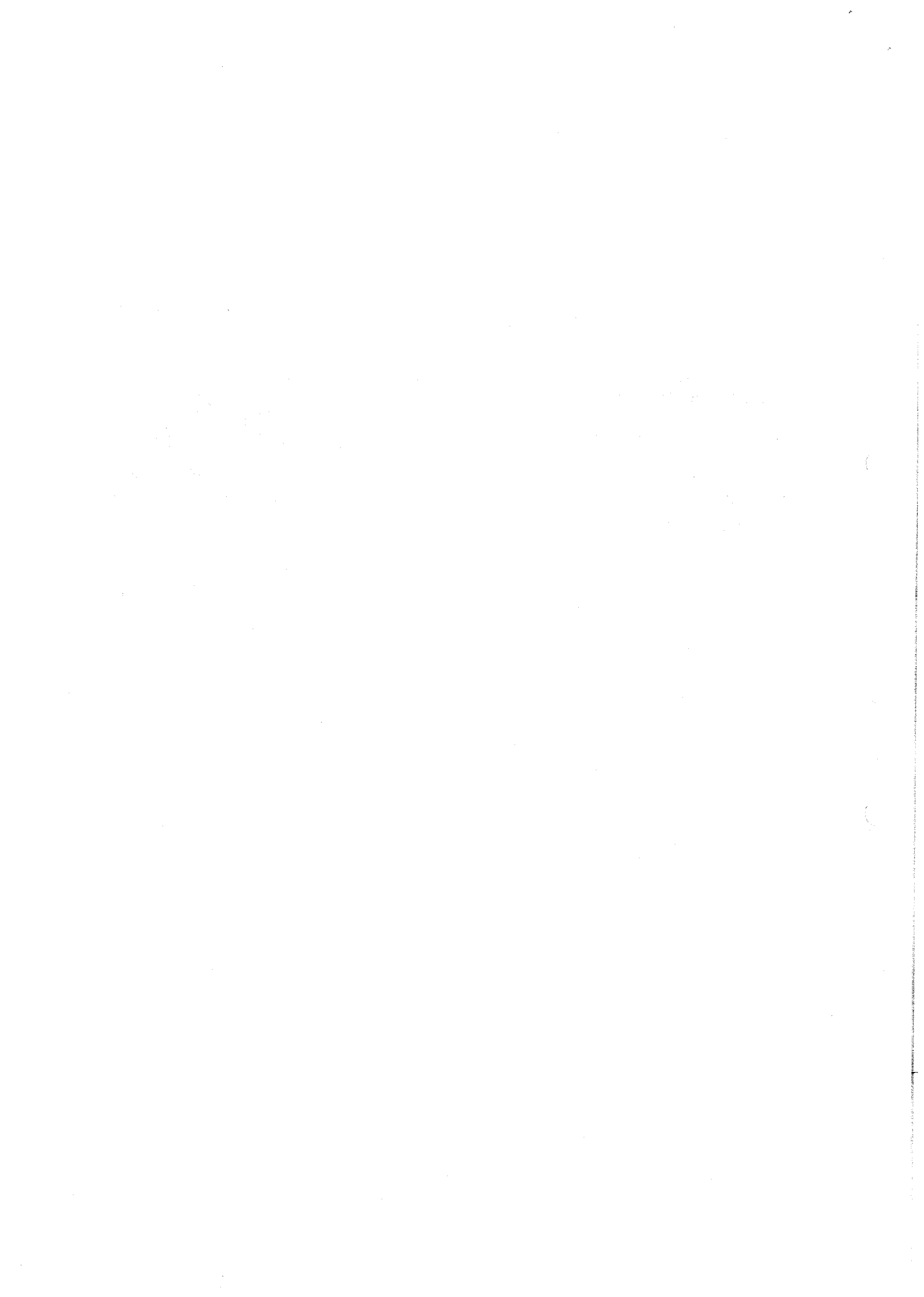
.....
M J W Duncan
W.A. Ellis

For the Claimants:



.....
P H Marr-Johnson
Marr-Johnson & Stevens

Dated 23rd August 1999



LEASEHOLD REFORM ACT 1967 AS AMENDED**16 Trevor Place, London SW7**
Freehold Price

Freeholders' existing interest:

Ground rent receivable		80
YP 12 ½ years @ 6% say		8,618

689

And reversion to FH VP value	980,000	
Deferred 12 ½ years @ 6% say	0.4829	473,242

473,931

Marriage Value:

FH VP value		980,000
Less FH existing interest	473,931	
And existing lease VP value	245,000	718,931

Marriage value therefore 261,069

Freeholders' share 50%	0.5	130,535
------------------------	-----	---------

604,466



LEASEHOLD REFORM ACT 1967 AS AMENDED

£

18 Trevor Place, London SW7
Freehold Price

Freeholders' existing interest:

Ground rent receivable		80
YP 12 ½ years @ 6% say		8.618
		<hr/>
		689
And reversion to FH VP value	867,000	
Deferred 12 ½ years @ 6% say	0.4829	418,674
		<hr/>
		419,363

Marriage Value:

FH VP value		867,000
Less FH existing interest	419,363	
And existing lease VP value	216,750	636,113
		<hr/>
Marriage value therefore		230,887
Freeholders' share 50%		0.5 115,444
		<hr/>
		534,807
		<hr/> <hr/>



LEASEHOLD REFORM ACT 1967 AS AMENDED

22 Trevor Place, London SW7
Freehold Price

Freeholders' existing interest:

Ground rent receivable		80
YP 12 ½ years @ 6% say		8,618
		<hr/>
		689
And reversion to FH VP value	842,000	
Deferred 12 ½ years @ 6% say	0.4829	406,602
		<hr/>
		407,291

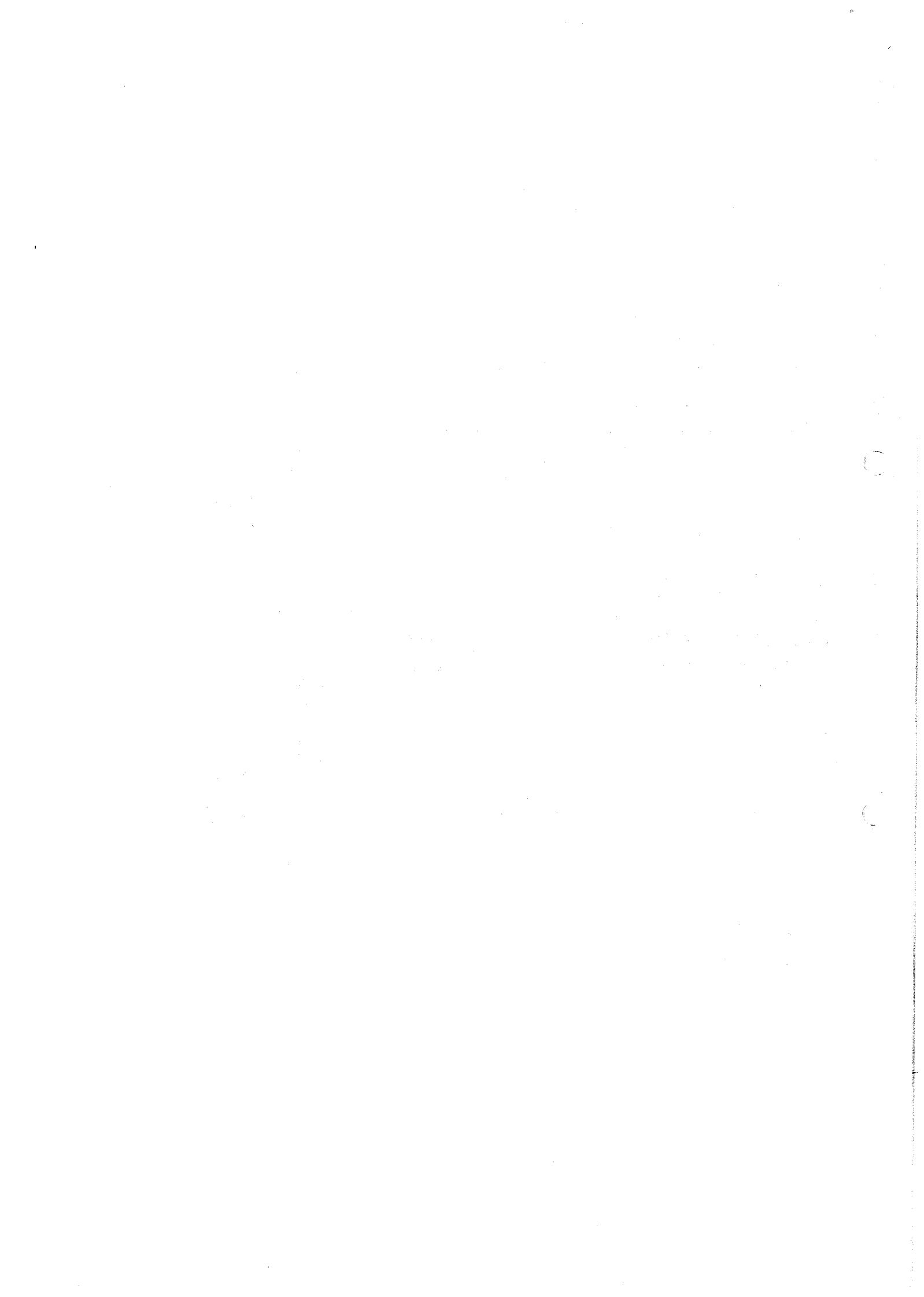
Marriage Value:

FH VP value		842,000
Less FH existing interest	407,291	
And existing lease VP value	210,500	617,791
		<hr/>
Marriage value therefore		224,209
Freeholders' share 50%		0.5 112,105
		<hr/>
		519,396
		<hr/> <hr/>

M Bertelson Esq
 Leasehold Reform Acts 1967 & 1993
 16 Trevor Place, London SW7

<u>Freehold Valuation as at</u>	Apr 1998 claim	Dec 2010 expiry	
Ground rent per annum:		£80	
Years' purchase for: 12.7 years at	6%	<u>8.7115</u>	£697
Reversion to unimproved value, freehold with vacant possession		£780,000	
Present value of £1 after: 12.7 years at	6%	<u>0.477310</u>	<u>£372,302</u>
Open market value of landlords' interest			£372,999
Marriage Calculation			
Freehold with vacant possession		£780,000	
less freeholders' interest	£372,999		
and lessee's interest @ 25% (ignoring the right to claim)	<u>£195,000</u>		<u>£567,999</u>
Total marriage value		£212,001	
Landlords' share @ 50%		<u>0.5</u>	<u>£106,001</u>
Total enfranchisement price, excluding costs			<u>£478,999</u>

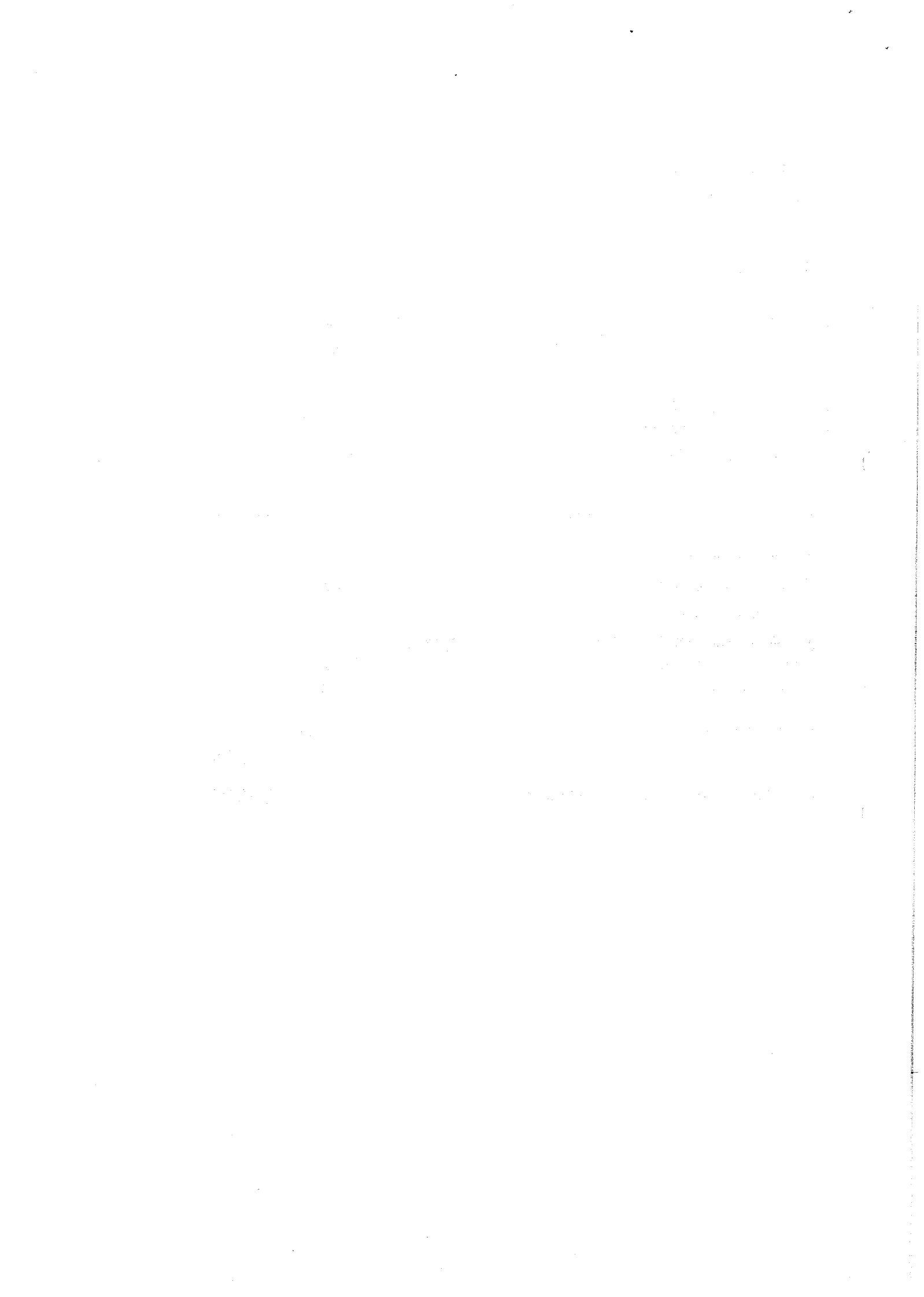
P H Marr-Johnson
 23rd August 1999



R Rahimzadeh Esq
Leasehold Reform Acts 1967 & 1993
18 Trevor Place, London SW7

<u>Freehold Valuation as at</u>	Apr 1998 claim	Dec 2010 expiry
Ground rent per annum:		£80
Years' purchase for: 12.7 years at	6%	<u>8.7128</u>
		£697
Reversion to unimproved value, freehold with vacant possession		£734,200
Present value of £1 after: 12.7 years at	6%	0.477234
		<u>£350,385</u>
Open market value of landlords' interest		£351,082
Marriage Calculation		
Freehold with vacant possession		£734,200
less freeholders' interest	£351,082	
and lessee's interest @ 25%	<u>£183,550</u>	
(ignoring the right to claim)		<u>£534,632</u>
Total marriage value		£199,568
Landlords' share @ 50%		<u>0.5</u>
		<u>£99,784</u>
Total enfranchisement price, excluding costs		<u>£450,866</u>

P H Marr-Johnson
23rd August 1999



Mr T Goddard

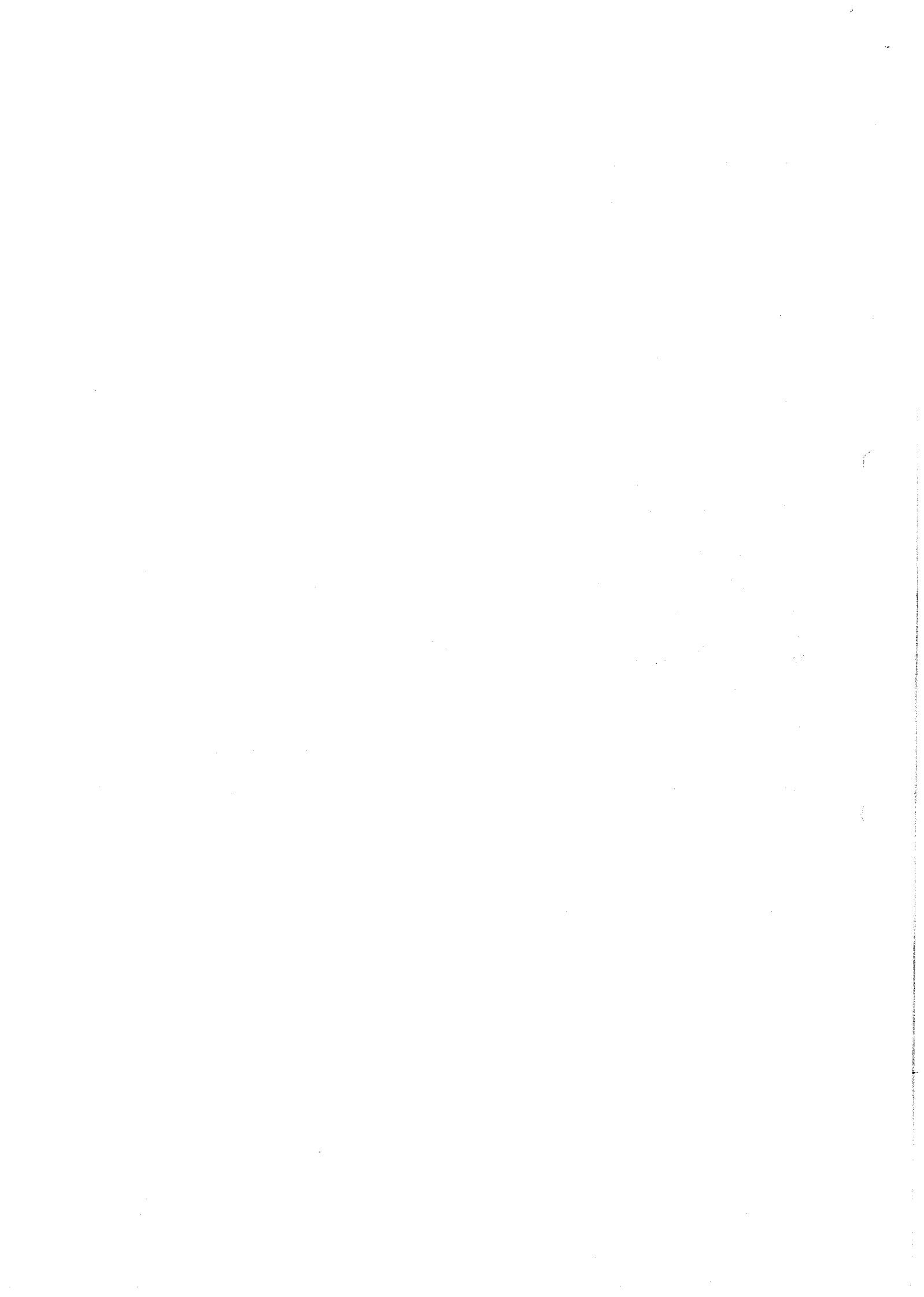
Leasehold Reform Acts 1967 & 1993

22 Trevor Place, London SW7

<u>Freehold Valuation as at</u>	Apr 1998 claim	Dec 2010 expiry	
Ground rent per annum:		£80	
Years' purchase for: 12.7 years at	6%	<u>8.7064</u>	
			£697
Reversion to unimproved value. freehold with vacant possession		£744,200	
Present value of £1 after: 12.7 years at	6%	<u>0.477615</u>	
			<u>£355.441</u>
Open market value of landlords' interest			£356,138
Marriage Calculation			
Freehold with vacant possession		£744,200	
less freeholders' interest	£356,138		
and lessee's interest @ 25% (ignoring the right to claim)	<u>£186,050</u>		
		<u>£542,188</u>	
Total marriage value		£202,012	
Landlords' share @ 50%		<u>0.5</u>	
			<u>£101,006</u>
Total enfranchisement price, excluding costs			<u>£457,144</u>

P H Marr-Johnson

23rd August 1999



Leasehold Reform Act 1967 as amended by the Leasehold Reform, Housing and Urban Development Act, 1993

Valuation in accordance with Sections 9 (1A) and (1C) as at April, 1998

16 Trevor Place, SW7A. Value of freehold interest

	£	£	£
Ground rent receivable	80		
YP 12.5 years @ 6%	<u>8.618</u>	689	
Reversion to FH VP value	825,000		
PV £1 12.5 years @ 6%	<u>0.4829</u>	<u>398,392</u>	<u>399,081</u>

B. Marriage Value

		825,000	
<u>less</u>	f/h existing interest	399,081	
	l/h existing interest	<u>206,250</u>	<u>605,331</u>
	Marriage value	219,669	
	50% marriage value		<u>109,834</u>
	Premium		508,915
		say	<u>£508,900</u>

Source: LVT



Leasehold Reform Act 1967 as amended by the Leasehold Reform, Housing and Urban Development Act, 1993

Valuation in accordance with Sections 9 (1A) and (1C) as at April, 1998

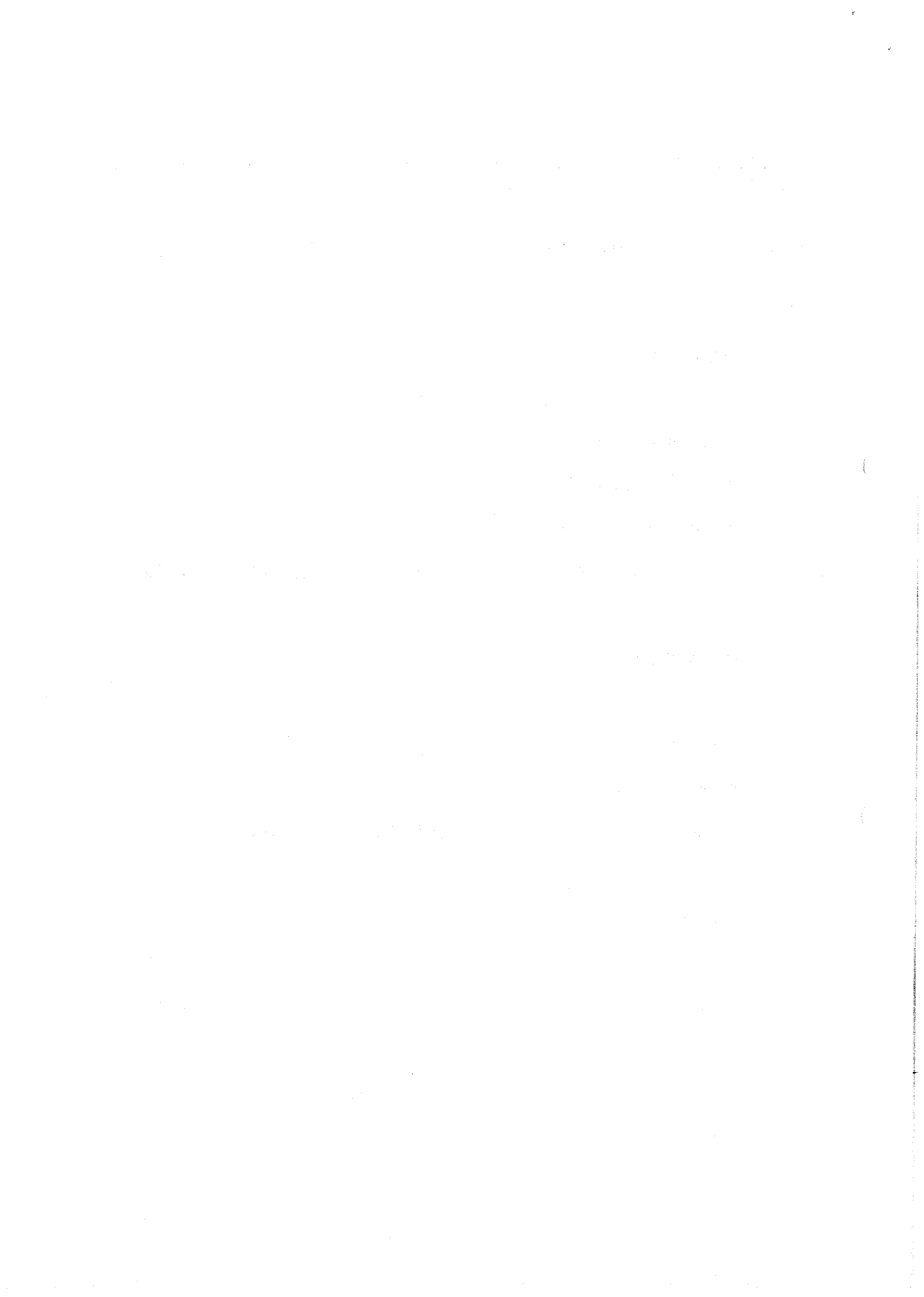
18 Trevor Place, SW7A. Value of freehold interest

	£	£	£
Ground rent receivable	80		
YP 12.5 years @ 6%	<u>8.618</u>	689	
Reversion to FH VP value	790,000		
PV £1 12.5 years @ 6%	<u>0.4829</u>	<u>381,491</u>	<u>382,180</u>

B. Marriage Value

	FH VP value	790,000	
<u>less</u>	f/h existing interest	382,180	
	l/h existing interest	<u>197,500</u>	<u>579,680</u>
	Marriage value	210,320	
	50% marriage value		<u>105,160</u>
	Premium		487,340
		say	<u>£487,350</u>

Source: LVT



Leasehold Reform Act 1967 as amended by the Leasehold Reform, Housing and Urban Development Act, 1993

Valuation in accordance with Sections 9 (1A) and (1C) as at April, 1998

22 Trevor Place, SW7

A. Value of freehold interest

	£	£	£
Ground rent receivable	80		
YP 12.5 years @ 6%	<u>8.618</u>	689	
Reversion to FH VP value	790,000		
PV £1 12.5 years @ 6%	<u>0.4829</u>	<u>381,491</u>	<u>382,180</u>

B. Marriage Value

		790,000	
<u>less</u> f/h existing interest	382,180		
l/h existing interest	<u>197,500</u>	<u>579,680</u>	
Marriage value		210,320	
50% marriage value			<u>105,160</u>
Premium			487,340
	say	<u>£487,350</u>	

Source: LVT