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Ref LON/LVT/1298/00

**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**

**Applicant:** John Lyon's Charity  
**Respondent:** Mrs Marianne Bogard  
**RE:** 90 Carlton Hill, London NW8

**Date of Tenant's Notice:** 13 March 2000  
**Application to Tribunal dated:** 22 August 2000  
**Heard:** 28 and 29 June 2001

**Appearances:**

Mr C Stoner of Counsel  
Mr H P Bogard Messrs Blatchfords Solicitors  
Ms K Ryan Messrs Egerton

**for the Tenant**

Mr A Radevsky of Counsel  
Miss V Walton Messrs Pemberton Greenish Solicitors  
Mr J E C Briant Messrs Cluttons Chartered Surveyors

**for the Landlord**

**Members of the Leasehold Valuation Tribunal:**  
Miss L M Tagliavini BA Hons Dip Law LLM (Chairman)  
Mr W J Reed FRICS  
Mr D Z Myer-Smith LLB

**Date of Tribunal's decision:** 16 August 2001

**90 Carlton Hill, London NW8**

**The Leasehold Valuation Tribunal's Decision.**

1. This is an application by the freeholder John Lyon's Charity of the subject premises seeking a determination of the price to be paid for the purchase of the freehold by the longleaseholder, Mrs Marianne Bogard

**Background**

2. The property, 90 Carlton Hill, is a detached three storey house built about 1937. It is situated on the north side of Carlton Hill to the west of the junction with the northern end of Hamilton Terrace and within 300 yards of the junction with Maida Vale. Mrs Bogard occupies the property under a lease dated 13 January 1984 for a term of 65 years from 25 December 1983, expiring on 25 December 2048. The initial rent was £500 per annum. The rent was reviewed to £3500 per annum with effect from 25 December 1998, and further reviews are due in December 2013 and December 2028, and during the last five years of the lease. The present lease was granted on the surrender of a lease for 80 years from 25 March 1936.
3. On 13 March 2000 Mrs Bogard served notice under the Leasehold Reform Act 1967 ("the Act") of her intention to exercise her rights under the Act to have the freehold of the house and premises, and on 22 May 2000 the landlord, John Lyon's Charity, gave notice admitting the right. On 22 August 2000 the landlord applied for a determination by a Leasehold Valuation Tribunal of the price to be paid under s.9 of the Act, and for a determination under s.21(2) of the provisions to be contained in the lease. It was agreed that the valuation date was the 13th March 2000, the date of the lessees' notice.

### Statement of Agreed Facts

4. The valuers for both parties had helpfully prepared for the Tribunal a Statement of Agreed Facts with appendices which included the identification of the parties and their respective expert valuers, details of the application, the location /description and accommodation of the subject property, details of the lease, the agreed basis of valuation under the Act, an 'indicative' list of improvements claimed by the lessee and their agreement that the freehold, existing leasehold and rents payable need to be "diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenant or his predecessors in title at their own expense", the equal division of the Marriage Value, schedules of the freehold and leasehold comparables and copies of the agents' particulars, where available.

### The Issues

5. The issues to be determined as included in the Statement of Agreed Facts are as follows -
1. The price to be paid by the lessee to the freeholder for the freehold interest
  2. The value of the property freehold with vacant possession and the existing leasehold value
  3. The extent of improvements and their effect on value
  4. The correct capitalisation and deferment rate ("the yield").

The differences between the parties were as follows -

	<u>Landlord</u>	<u>Tenant</u>
Improved freehold value	£2,675,000	£2,250,000
Unimproved freehold value	£2,575,000	£1,800,000
Unimproved leasehold value	£1,700,000	£1,400,000

Value of improvements	£ 100,000	£ 450,000
Yield	6%	6.5%
Price	£547,229	£265,000

Copies of the parties' valuations are attached as Appendices A and B.

6. Other issues requiring determination by the Tribunal included the adjustment, if any, of the sale prices of the leasehold comparables for the value of any rights under the Act, and the apportioned value of the Mews house which had been included in the sale of 32 Hamilton Terrace.

#### **The Adjourned Hearing**

7. The application was set down for hearing on 14<sup>th</sup> March 2001, and was adjourned to 28<sup>th</sup> and 29<sup>th</sup> June because Mr Briant, the Applicant's expert witness, was not available at the earlier date, having been detained in a Lands Tribunal matter. The application was adjourned for two full days and heard on 28<sup>th</sup> and 29<sup>th</sup> June 2001.

#### **Inspection**

8. The Tribunal took advantage of the time afforded by the adjourned hearing to make a full inspection of the subject property with Mrs Bogard on 14th March 2001. Details of the accommodation with measurements and areas and layout plans, site and location plans, and photographs of the exterior were included as appendices to the Schedule of Agreed Facts. The property contains 7 bedrooms, 3 bathrooms, 3 reception rooms, a kitchen/breakfast room, a conservatory, a services room and a garage. The 'A' and GIA areas had been agreed at 292.53 sq m / 3149 sq ft and 369.94 sq m / 3982 sq ft respectively. Mr Ryan also provided a plan showing the layout of the original accommodation, and during its inspection the Tribunal noted the

alterations which had been carried out by the lessees, and which were being claimed as 'tenants' improvements'. The Tribunal also inspected externally the eleven freehold and leasehold comparables.

### **The Hearing**

9. The substantive hearing was held on 28 and 29 June with the Applicants represented by Mr Radevsky of counsel instructed by Pemberton Greenish and the Respondent by Mr Stoner of counsel instructed by Blatchford's Solicitors. Mr Briant BA MRICS of Cluttons, produced a report and proof of evidence on behalf of Applicants, and Mr Ryan FRICS of Eggerton (London) Residential Ltd. and Mr Barrell FRICS of Barrell and Barrell provided reports and proofs of evidence to which they all referred to and expanded upon during the hearing.

### **Comparable Evidence**

10. The Statement of Agreed Facts included schedules showing details of eight freehold and three leasehold comparables, and copies of the agents' particulars except for 15 Marlborough Place and for 54 Carlton Hill. The schedules showed the addresses of the comparable properties, the types of the properties, their 'A' and GIA areas, brief details of the accommodation, details of the leasehold interests where appropriate, the sale prices and the dates of sale. The sale prices required adjustment to reflect the change in the market between the date of sale and the date of valuation. Mr Briant said that he had used the FPD Savills Index cautiously because the property market in St John's Wood did not always follow market trends, that the location formed part of the St John's Wood market, and that there was nothing in the location to affect the market value. He commented on each of the comparables and adjusted the sale prices where necessary for style, size, condition, location, number of floors, detachment, garage and off-street parking to arrive at the following freehold valuations of the subject property on a comparable basis -

22 Carlton Hill	£2,700,000
43 Hamilton Terrace	£2,635,000
152 Hamilton Terrace	£2,650,000
123 Hamilton Terrace	£2,675,000
28 Marlborough Place	£2,650,000
2 Langford Place	£2,750,000
15 Marlborough Place	£2,475,000
54 Carlton Hill	£2,475,000

11. Disregarding the last two, for which limited information was available in the absence of the agents' sale particulars, the average freehold value shown by the comparables as £2,676,666, which Mr Briant had rounded to £2,675,000. Mr Briant had also carried out a similar analyses of the sales of the three leasehold comparables, including adjustments of 15% to reflect the value of rights under the Act, and for different lease lengths, to arrive at the following valuations of the leasehold interest in the subject property on a comparable basis -

32 Hamilton Terrace	£1,845,750
15 Carlton Hill	£1,970,000
30 Clifton Hill	£1,781,800

12. Mr Briant said that an adjustment of 15% is commonly accepted to reflect the value of the tenant's rights under the Act, and that the length of the unexpired term did not necessarily make much difference. The value was attributable to the 'right to acquire' itself. In his analysis of the sale of 32 Hamilton Terrace Mr Briant had deducted £400,000 from the sale price as representing the value of the Mews house which had been included in the sale. He said that the Mews House had been in good condition, and that his valuation of £400,000 was based on earlier enfranchisement negotiations. His valuation based on the sale of the leasehold interest in 15 Carlton Hill was revised during the hearing, and the revised average of the three valuations increased from £1,752,183 to £1,868,150, but Mr Briant did not consider that his valuation of the leasehold interest in the subject property at £1,800,000 required amendment.
13. Mr Ryan said that the subject property did not occupy a prime position within St John's Wood. It

is located on the fringe of St John's Wood just off Edgware Road/Maida Vale, the surrounding properties are mixed and not particularly attractive, it faces a battery of lock-up garages and an unattractive modern chalet style house. The high rise blocks of the Maida Vale council estate were within about 400 yards and in open view, and St George's High School (a local authority school) is on the opposite side of the junction of Carlton Hill and Maida Vale. He also said that the appeal in the market of a 1930's house was not as great as that for period houses.

14. Mr Ryan analysed the sale prices of the eight freehold comparables and two of the leasehold comparables in a schedule, with adjustments for the date of sale based on the FPD Savills Index for Central London properties, for location and for size to produce the following values per square foot GIA -

123 Hamilton Terrace	£561
15 Carlton Hill	£758
43 Hamilton Terrace	£602
15 Marlborough Place	£475
30 Clifton Hill	£541
28 Marlborough Place	£595
22 Carlton Hill	£606
2 Langford Place	£456
54 Carlton Hill	£519
152 Hamilton Terrace	£543

15. Mr Ryan treated the sale of 15 Carlton Hill with caution because agent's particulars were not available and he understood that the property had been subject to lavish refurbishment and planning before being sold. He then considered where the subject property fitted into the range of values to reflect such matters as condition, style, aspect and appearance, and concluded that the value of 90 Carlton Hill at the valuation date was £2,250,000, or £565 per square foot GIA, leaving a further adjustment to be made for the value of the improvements carried out by the lessees. Mr Ryan also prepared a scheduled analysis of the three leasehold comparables to arrive at the following values per square foot GIA -

32 Hamilton Terrace	£476
15 Carlton Hill	£550
30 Clifton Hill	£373

16. Mr Ryan reduced the value of 32 Hamilton Terrace by £350,000 to reflect the value of the Mews house which had been included in the sale, and by 10% to reflect the benefit of a notice of claim under the Act. He did not accept that a 15% adjustment should be made for a relatively long lease, and had found it difficult to get 10% for leases of 25 to 35 years unexpired. Mr Ryan referred to relativity graphs prepared by Cluttons (which suggested that the correct freehold/leasehold relativity was 70%) and by Gerald Eve and John D Wood for the Grosvenor Estate (which indicated that the correct percentage was 73% for the 48.75 year unexpired term). He considered that in the real market any vendor or his agent would realistically expect to achieve 5% more than the Grosvenor Estate Index and valued the unimproved leasehold interest at £1,400,000, after allowing £113 per square foot for tenants' improvements - which equates to 78% of his valuation of the freehold and to £351 per square foot GIA. Mr Ryan also relied for support for his valuations on the December 1998 rent review, and provided copies of the correspondence which culminated in an agreed reviewed rent of £3,500 per annum, based on 0.25% of the capital value of a 65 year lease at a peppercorn. He calculated that the value of the improved freehold at that date was £1,666,666, that the value of the unimproved freehold was £1,333,333, that the value of the unimproved freehold at the valuation date was £1,900,000 and that the value of the improved freehold at that date was £2,375,000, based on the FPD Savills Index.
17. Mr Briant did not accept that any reliance could be placed on the 1998 rent review. Although the Applicant had initially sought an increased rent of £4,625 per annum this had been revised downwards to £3,675, based on a capital value of £1,470,000 without extensive research and agreed at £3500 in view of the relatively small amounts involved.



### Tenant's Improvements

18. Mr Briant reminded the Tribunal that in accordance with s.9(1A)(d) of the Act it is to be assumed "that the price be diminished by the extent to which the value of the house and premises has been increased by an improvement carried out by the tenant or his predecessors in title at their own expense". An 'indicative' list of the improvements claimed by the lessee had been included as an appendix to the Statement of Agreed Facts, and it was an agreed fact that the freehold and leasehold values and the rental values would need to be adjusted to exclude the value of the tenants' improvements. There was, however, a considerable difference of opinion between the valuers as to the value of the tenants' improvements. Mr Briant considered that many of the claimed improvements were either matters of personal taste, or were outdated (eg. the fitted kitchen), or were replacements (eg. the entrance gates), or were renewals (eg. the cloakroom), and did not add to the capital or rental values. He considered that those bidding in the market for 90 Carlton Hill at the valuation date would anticipate that they would refit the kitchen and bathrooms and redecorate internally to their own taste. In his opinion the items claimed as improvements would have little effect on value, and in his valuation he had allowed £100,000 as the value of all the improvements carried out by the lessees. He regarded this as a very generous figure bearing in mind the overall condition of the house and that he believed it is well overdue for complete refurbishment.
19. During the hearing Mr Briant accepted that the entryphone and controlled gates, the damp-proofing, the doors from the kitchen to the patio, the conservatory, the larger kitchen, the en-suite bathrooms, the full central heating system with thermostatically controlled radiators, and the security items were improvements, but stressed that their value must be tempered by the market and not based on replacement cost.
20. Mr Ryan considered that the improvements were extensive and valuable. Although an indicative list had been included in the Schedule of Agreed Facts, he had included a full list in his proof. He

considered that the works added considerable value to the property above that which would be attributable to the newly built house in 1937 were it standing unaltered but maintained in good and tenable repair at the valuation date. He had considered the cost of the works if they had been carried out at the valuation date, and the value of the works to a purchaser. Mr Douglas Barrell FRICS, a Chartered Quantity Surveyor had assessed the cost of the works at the valuation date at £317,000, and Mr Ryan had taken a figure of £300,000 and added 50% to reflect the 'cushion' which a purchaser would require to reflect the time, effort and risk involved. He had therefore deducted £450,000 from his valuation of the improved freehold of £2,250,000 to produce his valuation of the unimproved freehold of £1,800,000.

21. Mr Barrell confirmed in evidence that he had received instructions from Mrs Bogard to visit the subject property, examine the improvements that had been carried out, examine various documents and provide a Cost of Improvements at March 2000. Where the original cost was known it had been updated in accordance with the BICS Building Cost Index and adjusted to include professional costs and VAT. Where the original cost was not known, Mr Barrell relied on his professional knowledge and experience or on quotation obtained for the purpose of preparing his report. He also confirmed that he had not been asked to consider the value or the effect on the market value at the valuation date of the improvements, which had been carried out.

### **Rent Review**

22. The current rent of £3,500 per annum was agreed at the last review, and includes the value of the tenants' improvements. Mr Briant's opinion of the value of the improvements at £100,000 represents about 3.74% of his valuation of the freehold. He therefore reduced the rent by 3.74% to arrive at a rental value, excluding the value of the tenants' improvements, of £3369 per annum. The rent is due for review again on 25 December 2013 to 0.25% of the capital value of a 65 year lease at a peppercorn rent and subject to the covenants and conditions contained in the lease. Mr

Briant said that those bidding in the market for such a lease would be aware that they could acquire the freehold and would be willing to pay a higher rent. He therefore considered that the value of a 65 year lease would be 90% to 95% of the freehold value, which, after allowing £100,000 for the value of the tenant's improvements, produced a rent of £5769 to £6103. He had therefore adopted a reviewed rent of £5935 in December 2013 for valuation purposes.

### Yield

23. Mr Briant considered that a yield of 6% was correct in this case on the grounds that the St. John's Wood is a high capital value area, which will benefit from high growth in capital values for the foreseeable future. The subject house is of good quality, is located in a sought after location in the St. John's Wood area, and has a significant rent which is subject to reviews. In support of a yield of 6% Mr Briant provided a schedule of enfranchisement transactions carried out by his firm in St John's Wood. This showed that all high value properties in good locations in St John's Wood have been subject to 6% yields. He also drew the Tribunal's attention to the Lands Tribunal's decisions in respect of 43 Hamilton Terrace and 139 Hamilton Terrace at 6%, and distinguished these from 85 Avenue Road and 11 Loudoun Road at 6.25%. He also referred to the Lands Tribunal's comments in its decision in respect of Flat F, 2 Ennismore Gardens, SW7.
24. Mr Ryan was aware of the body of evidence to support a rate of 6% in St John's Wood, and would not dispute that 6% was appropriate to houses in prime locations within St John's Wood, but considered that the poorer location and style of 90 Carlton Hill justified a slightly higher rate. He referred to the Lands Tribunal's decision in Trustees of the Eyre Estate v. Saphir concerning a property in Avenue Road, where 6.25% was determined to be the appropriate rate, and suggested that by comparison a rate of 6.5% was appropriate in this case. It was Mr Ryan's opinion that the subject premises represented another rung down from this Avenue Road property.

### **The Tribunal's Decision**

25. The Tribunal having considered all the evidence and its findings on inspection, carefully analysed the sale prices of the freehold comparables in schedule form, with adjustments for the dates of sale in accordance with the FPD Savills PCL Index, and for size, condition, location, style, detachment, overlooking, garage and off-street parking - much the same as Mr Briant had done but not necessarily at the same amounts. The Tribunal felt that a property with off-street parking and/or a garage would have more value than one without. The Tribunal, therefore and arrived at the following values per square foot GIA for the subject property:

152 Hamilton Terrace	799 sq ft	£605
2 Langford Place	3181 sq ft	£599
15 Marlborough Place	3475 sq ft	£544
28 Marlborough Place	3697 sq ft	£648
54 Carlton Hill	3900 sq ft	£628
90 Carlton Hill	3982 sq ft	----
22 Carlton Hill	4101 sq ft	£667
43 Hamilton Terrace	4100 sq ft	£681
123 Hamilton Terrace	4973 sq ft	£682

26. The comparables are listed in ascending size order with 90 Carlton Hill falling between 54 Carlton Hill at £628 per sq ft and 22 Carlton Hill at £667 per sq ft. The average adjusted price per sq ft is £631.75. Excluding the highest and the lowest the average adjusted price is £638 per sq ft. The Tribunal adopted a value of £635 per sq ft to produce an improved freehold value of £2,528,570, which it rounded to £2,530,000.

27. A similar analysis of the leasehold comparables in accordance with the FPD Savills PCL Index, with adjustments for date of sale, lease length, size, condition, location, style, detachment, garage and off-street parking- again much as Mr Briant had done but not necessarily at the same amounts produced the following values per square foot for the improved leasehold interest in the subject property -

32 Hamilton Terrace	3092 sq ft	£499
30 Clifton Hill	3154 sq ft	£444
15 Carlton Hill	3703 sq ft	£553

27. Although it was difficult to discern any pattern of values from these three comparables, the average price per square foot was £498.66 per sq ft and having regard also to the schedules of relativities as a guide but not as a basis of valuation the Tribunal valued the improved leasehold interest at £490 per sq ft GIA. This produced a valuation of £1,951,180, which the Tribunal rounded to £1,950,000 representing 77.075% of its improved freehold value. In its adjustment of the leasehold comparables the Tribunal made adjustments of 10% to reflect the value of the rights under the Act. It noted that a 15% adjustment had been agreed by the valuers in the case of 54 Springfield Road LON/LVT/R20/00, and that the Leasehold Valuation Tribunal had incorporated that agreement in its decision, but where the lease of a large house has 50 or more years unexpired and the value is substantial the Tribunal considers that 10% is appropriate in the absence of any supporting evidence to the contrary. The Tribunal also considers that different considerations apply in the case of flats being enfranchised under the 1993 Act. The Tribunal also made an adjustment of £400,000 to exclude the value of the Mews house at 32 Hamilton Terrace as it preferred the evidence of Mr Briant on this point, Mr Ryan not having inspected internally and knowing relatively little about this property.
28. There was a fundamental difference of approach to the valuation of the lessees' improvements by the two valuers. Mr Briant took the property as it was at the valuation date, and reduced his valuation of the freehold interest in the improved property by £100,000, being the amount which in his opinion the value had been increased by the improvements carried out by the lessees. Mr Ryan took the property as it would have been at the valuation date if no improvements had been carried out, i.e. that the property was as it had been built in 1937 and maintained in accordance with the requirements of the lease. He then took an up-dated cost of the improvements at the valuation date of £300,000 - based on Mr Barrell's total up-dated cost of £317,000 - and increased

that figure by 50% for delay and risk and reduced his valuation of the improved freehold interest by £450,000, from £2,250,000 to £1,800,000. Section 9(1A)(d) refers to "the extent to which the value of the house and premises has been increased" by the tenants' improvements, but does not specify what valuation assumptions are to be made in arriving at that increase in value. The Tribunal does not consider that either approach is necessarily incorrect, and that if correctly applied each should provide an acceptable answer.

29. The Tribunal considered that with Mr Briant's approach there was a danger that some improvements would be 'written off' on the grounds that they were outdated or out of fashion when they were not as dated or out of fashion as the original fittings would have been at the valuation date, and there may still be some residual value in the improvements which would have been reflected in the market value. The Tribunal found it helpful in this case to have Mr Barrell's up-dated costs for the improvements which had been carried out by the lessees, but did not accept that it was appropriate to add for professional fees where the works had been carried out by different contractors at different times or that the costs should be further increased by the London weighting. It also considered that Mr Ryan should have adjusted his figure of £300,000 to reflect the nature and age of some of the improvements and that there was no justification to add 50% for risk etc.

30. After careful consideration the Tribunal is of the opinion that the value of the house and premises had been increased by £150,000 by the lessees' improvements. This included £75,000 for the internal structural alterations and improvements carried out in 1978 /1979, £42,000 for the conservatory with the remainder reflecting the other improvements carried out. The Tribunal therefore reduced its valuation of the improved freehold interest by £150,000, from £2,530,000 to £2,380,000 - a reduction of 5.93%, reduced its valuation of the improved leasehold interest by 5.93% , from £1,950,000 to £1,834,365, rounded to £1,835,000, and adjusted the current and

review rents by 5.93% to £3292.45 and £4935 respectively.

31. Finally the Tribunal considered that the arguments concerning the yield were finely balanced. The Tribunal had regard to, but treated with caution the schedule of settlements produced by Mr Briant and his representations as regards the "Delaforce effect". Both valuers had made allowances in their analysis of the comparables for the poorer location of the subject property, but 90 Carlton Hill is a substantial property with a substantial and rising ground rent with about 50 years unexpired and on balance the Tribunal determined that the appropriate rate should be 6.25%.

**The Determination**

32. The Tribunal therefore determines that the price to be paid by the lessee to the freeholder is £361,000. A copy of the Tribunal's valuation is attached as Appendix C.

Chairman:

Dated: 16/8/20

*H. Ashian*

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**THE LEASEHOLD REFORM ACT 1967 (AS AMENDED)**

DATE: 19/04/01

PROPERTY 90 CARLTON HILL, LONDON NW8

VALUATION DATE 13/03/00

LEASE DETAILS

DATE	13/01/84				
TERM	65				
EXPIRY DATE	25/12/48				
UNEXPIRED TERM	48.80				
GROUND RENT	£3,500	from	25/12/98	to	24/12/13
GROUND RENT excluding improvements	£5,936	from	24/12/13		
	£0				

VALUES

FHVP	£2,675,000
UNEXPIRED TERM	£1,800,000
LESSEE'S IMPROVEMENTS	£100,000

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT			£3,500	
	Less for improvements	3.7%		£131	
				£3,369	
	x YP	13.80 years @	6.00%	9.2093	
					£31,028
<u>TERM 2</u>	GROUND RENT excluding improvements			£5,936	
	x YP	35.00 years @	6.00%	14.4979	
	x PV	13.80 years @	6.00%	0.4474	
					£38,506
<u>REVERSION</u>	FHVP (less improvements)			£2,575,000	
	x PV	48.80 years @	6.00%	0.0582	
					£149,924
					<b>Lessor's Interest £219,459</b>

MARRIAGE VALUE

	FHVP (less improvements)	£2,575,000	
Less	Lessor's Present Interest	£219,459	
	Lessee's Interest (less improvements)	£1,700,000	
	Marriage Value	£655,541	
	Take 50% Marriage Value		£327,770
	<b>TOTAL</b>		<b>£547,229</b>



Leasehold Reform Act 1967  
Enfranchisement Under Section 9 (1C)

Appendix B.

90 Carlton Hill, London NW8

<b>Freeholders Current Interest</b>								
<b>Term 1</b>								
Ground rent						£2,799		
Years purchase	13.8	years	at	6.50%		8.93310		
							£25,004	
<b>Term 2</b>								
Ground rent						£3,780		
Years purchase	35	years	at	6.50%		13.68696		
Deferred for	13.8	years	at	6.50%		0.41935		
						5.739608989		
							£21,696	
<b>Reversion</b>								
Unimproved freehold value						£1,800,000		
Deferred for	48.8	years	at	6.50%		0.04627		
							£83,294	
							£129,993	
<b>Marriage Value</b>								
Unimproved freehold value						£1,800,000		
less								
Landlord's current interest						£129,993		
Tenant's current interest						£1,400,000		
						£1,529,993		
						£270,007		
Landlord's share of marriage value						50.00%	£135,003	
							£264,997	
<b>Enfranchisement price, say</b>							<b>£265,000</b>	

## Appendix C – THE TRIBUNAL’S VALUATION

90 Carlton Hill, London NW8

Valuation in accordance with s. 9(1A) and 9(1C) of the Leasehold Reform Act 1967, as at 13<sup>th</sup> March 2000 – the date of the lessee’s notice.

### A. Value of freehold interest

(i)	Ground Rent 13/3/2000 to 24/12/2013	£3500.00	
	Less for tenant’s improvements - 5.93%	£ 207.55	
		<hr/>	
	YP 13.75 yrs @ 6.25%	£3292.45	
		8.0406	£ 26,473
(ii)	Ground Rent 25/12/2013 to 25/12/2048	£4935	
	YP 35 yrs @ 6.25%	12.3907	
		<hr/>	
		£61,148	
	PV £1 13.75 yrs @ 6.25%	0.4346385	£ 26,577
(iii)	Reversion to unimproved freehold with vacant possession	£2,380,000	
	PV £1 48.75 yrs @ 6.25%	0.05207332	£123,934
		<hr/>	
			<b>£176,984</b>

### B. Marriage Value

Value of unimproved freehold Interest with vacant possession		£2,380,000	
Less			
Value of freehold interest	£176,984		
Value of leasehold interest	£1,835,000	£2,011,984	
		<hr/>	
	Marriage Value		£ 368,016
	50% of Marriage Value		<b>£ 184,008</b>

### C. Premium

Value of freehold interest	£176,984	
50% of Marriage Value	£184,008	
	<hr/>	
	£360,992	
Say	<b>£361,000</b>	