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**Residential
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LONDON RENT ASSESSMENT PANEL

THE RESIDENTIAL PROPERTY TRIBUNAL SERVICE

DECISION and SUPPLEMENTAL DIRECTIONS OF THE LONDON LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER SECTION 48 OF THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993 (The "Act")

Ref: LON/00AY/OLR/2011/0972

Property: 14A Abbeyville Road, London SW4 9NJ

Applicant: Mr M Scriven (the "tenant")

Respondent: Mr S K Chu (the "landlord")

Date of Directions: 3 October 2011

Date of Hearing : 18 January 2012

Appearances :

For the Applicant Solicitor: Ms S Breakwell of William Sturges LLP
Valuer: Mr B Passmore

For the Respondent No one

Members of the Leasehold Valuation Tribunal Mrs J Pittaway LL.B
Mr D Jagger MRICS

Date of Decision : 30 January 2012

Introduction

1. This is an application to the Tribunal by the Applicant for a lease extension of the lease of 14A Abbeville Road London SW4. The Notice of Claim to Exercise Right is dated 14 January 2011, and admitted by the Respondent by way of Counter Notice dated 23 March 2011. The Applicant applied to the Tribunal on 5 September 2011 for the determination of the premium and the terms of the new lease.
2. Directions were issued by the Tribunal on 3 October 2011, which inter alia, required the Respondent to submit a draft lease to the tenant for approval by 17 October 2011. The Applicant has received no draft lease from the Respondent.
3. The Tribunal listed the hearing for 18 January 2012 on 30 November 2011.
4. On 17 January 2012 the Tribunal received an e mail sent from Mr Chee, the Respondent's agent but sent in the Respondent's name, requesting a postponement of the Hearing, asserting that the Respondent had influenza. The Tribunal notified Mr Chu on that day that if a postponement application is made on the grounds of ill health it must be supported by a medical certificate. Neither the Respondent nor his representative Mr Chee attended the Hearing and no medical certificate was provided.

At the start of the Hearing Ms Breakwell objected to the requested postponement given the length of notice that the Respondent had had of the date of the Hearing, that the Respondent had dis-instructed his solicitors and that he had made no attempt to comply with the Tribunal's Directions.

Postponement

The Tribunal **did not agree** to the Respondent's request for a postponement and the hearing proceeded.

Matters in Dispute

Valuation Issues

1. The length of the unexpired term
2. The unimproved market value of the Property with a virtual freehold
3. The appropriate capitalisation rate
4. The deferment rate

The Terms of the lease

In his counter-notice the Respondent had accepted that the new lease should be for a term equal to the unexpired term of the existing lease plus 90 years "at a rent" in terms similar to the existing lease subject to such modifications as are required in accordance with section

57 of the Act. He did not provide the Applicant with a draft lease in accordance with the Directions.

Costs

The Applicant asked the Tribunal to determine the Respondent's reasonable costs under section 60(1) and to award costs against the Respondent in the sum of £500.

Decisions of the Tribunal

1. The Premium

The Tribunal **determines** that the **premium for the extended lease is** in accordance with section 48 and Schedule 13 of the Leasehold Reform, Housing and Urban Development Act 1993 is **£8363.00**

A copy of the Tribunal's valuation is attached as Appendix 2.

2. The terms of the new lease

The Tribunal **determines** that the **rent payable under the extended lease** shall be a **peppercorn** in accordance with section 56 of the Act

The Tribunal **Directs** that

- 2.1. Within **14 days of the date of this Decision** the Applicant sends the Respondent a copy of the existing lease amended to **reflect the Deed of Variation of 5 July 2007** and such modifications as are required in accordance with section 57 of the Act, including that the rent is a peppercorn.
- 2.2. The Respondent shall have **14 days from receipt of the draft lease** to seek to agree with the Applicant any amendments it seeks to such draft.
- 2.3. If the form of lease is not agreed by **14 days from receipt by the Respondent of the draft lease** either party may apply to the Tribunal to determine any terms then outstanding and the terms of the lease will be determined by the Tribunal **without a hearing** and on the basis of a draft lease provided to the Tribunal and any written representations that either party may wish to make in that regard.

Either party may make a written request for a hearing but such hearing will be limited to determining the form of the draft lease (excluding the amount of the premium payable stated therein) and no other matter.

IMPORTANT NOTE:

- **These directions are formal orders and must be complied with**
- **They are intended to help the parties and the tribunal deal with applications swiftly and economically**

- **If you fail to comply with them your case may be prejudiced**
- **Whenever you send a letter or email to the tribunal you must also send a copy to the other parties and note this on the letter or email**

3. Costs

The Tribunal **determines the** Respondent's costs under section 60(1) of the Act to be to be £495 exclusive of Value Added Tax;

The Tribunal **award** costs in the sum of £500 to the Applicant pursuant to paragraph 10 of Schedule 12 of Commonhold and Leasehold Reform Act 2002.

Evidence

The Tribunal had before it the Applicant's hearing bundle which included the statement of the Applicant's valuer, a copy of the current lease of the Property dated 19 February 1996 and the Deed of Rectification of 5 July 2007 and a Statement of Issues in dispute prepared by the Applicant's solicitors.

The Applicant's valuation had appended to it a copy of the Respondent's desktop valuation prepared by "spotlight surveyors" without any statement as to the qualifications of the person providing it nor any "Statement of Truth". This had initially provided only to the Tribunal, and not also to the Applicant as required in the Directions.

Valuation issues

1. Mr Passmore submitted that the term unexpired under the existing lease was 84 years (less a few days) and not 83.1 years as stated in the Respondent's desktop valuation.
2. As to the unimproved market value of the property with a virtual freehold Mr Passmore referred to the price at which the property was acquired (in an improved condition) in 2007 and scheduled various comparables which he submitted were within 100 yards of the Property and whose sale prices he submitted shown a range of values per square foot for improved virtual freeholds/long leases from £458/sq.ft. to £550/sq.ft. Adjusting for unimproved value he submitted that the unimproved market value of the property with a virtual freehold was £405 per sq.ft. to be applied to the Property ignoring the loft.

Spotlight surveyor's valuation stated the unimproved market value of the property with a virtual freehold to be £600,000 without providing any evidence to substantiate this valuation.

3. Mr Passmore argued that the usually adopted capitalisation rate of 7% was too low for a lease that has a low, fixed ground rent (£15.75 per annum) and submitted that a rate of 8% would be more appropriate.

There was no evidence before the Tribunal as to why spotlight surveyors adopted a capitalisation rate of 5%.

4. Mr Passmore argued that in this application it was appropriate to depart from the standard deferment rate for flats, which since the decision in *Sportelli* has been set at 5%. He argued that a different rate should apply to flats outside the Prime Central London area, which he considered covered only the London Boroughs of Kensington & Chelsea and Westminster and properties which attracted "high net worth individuals" who were not reliant on mortgage finance. In his submission Abbeville Road was not in a Prime Central London location nor was it in an area which attracted buyers who were not reliant on mortgage finance. He referred to the decisions in *Hildron* [LRA/120/2006] (a deferment rate of 5% adopted in Hampstead), *Culley v Daejan Properties Limited (2009)* PLSCS 260 (a deferment rate of 5% adopted in L B Hillingdon) and the *Zuckerman case* [LRA/97/2008] (a deferment rate of 6% adopted in the West Midlands). Mr Passmore argued for a deferment rate of 6% on the basis that there is likely to be a protracted period of negative house price growth outside "true PCL" in realignment to a past long-term trend.

Spotlight surveyors did not seek to depart from the *Sportelli* deferment rate in their desktop valuation.

The terms of the lease

The Applicant's solicitor did not consider these to be in dispute given the Respondent's counter-notice but was not in a position to confirm there was an approved form of lease as no draft lease had been received from the Respondent.

Costs

1. The Applicant's solicitor submitted that reasonable Respondent's costs under section 60(1) would be;
 - Section 60 (1) (a) 1 hour @ £245 plus VAT per hour. This is based on the Applicant's solicitor's hourly rate at the time of service of the counter-notice.
 - Section 60 (1) (b) A desktop valuation without an inspection of the Property £400 plus VAT.
 - Section 60 (1) (C) NIL as the Respondent has not provided a draft lease.
2. The Applicant requested that the Respondent be required to pay the Applicant's costs to the maximum permitted sum of £500, submitting that the Respondent had acted disruptively and unreasonably in dealing with the Applicant's notice, the subsequent application to the Tribunal and the Tribunal's directions, thereby increasing the Applicant's own costs.

The Tribunal's Decision on each Matter in Dispute

Valuation

1. The Tribunal find as a matter of fact that the unexpired residue of the term of 99 years from 25 December 1995 at the date of the Applicant's Notice on 14 January 2011 is 84 years (less a few days).
2. There was no evidence before the Tribunal to substantiate the Respondent's claim that the unimproved market value of the Property with a virtual freehold is £600,000.

The Tribunal considered that Mr Passmore's unimproved market value of the Property of £431,730 to be based on too low a price per square foot given his comparables, even for unimproved premises. They consider that he made too great an allowance to reflect the unimproved state of the flat. They also considered that some value needed to be attributed to the unimproved loft.

In their expert view the Tribunal consider an appropriate unimproved market value of the Property with a virtual freehold to be £490,000.

3. Without any supporting argument or evidence the Tribunal can find no reason to adopt a capitalisation rate of 5%. The Tribunal consider that the capitalisation rate of 8% proposed by Mr Passmore is unusually high. The Tribunal does however accept that the rate needs to reflect the low ground rent reserved by the existing lease for the whole length of its term without any reviews, and have adopted a capitalisation rate of 7.5%.
4. Mr Passmore argued very coherently that there should be a departure from the deferment rate of 5% established by the decision in **Sportelli** but in the absence of any evidence specific to this Property as to why they should the Tribunal do not feel that they are able to deviate from the deferment rate of 5% that is used, since **Sportelli**, as a starting point for flats.

The Terms of the Extended Lease

1. The Tribunal considered that the Respondent's counter-notice created uncertainty as to the rent payable under the extended lease. Section 56 of the Act requires the rent payable under the extended lease to be a peppercorn.
2. The Tribunal has issued the Supplemental Directions set out above to ensure an early settlement of the form of the extended lease.

Costs

1. The Tribunal accepts the Applicant's submissions as to costs under sections 60(1) (a) and (c). Given the form of the desktop valuation the Tribunal consider a reasonable fee for this under section 60(1) (b) to be £250 plus VAT.
2. The Tribunal accept the Applicant's submission that the Respondent has acted unreasonably in relation to the proceedings and award costs in the sum of £500 to

the Applicant pursuant to paragraph 10 of Schedule 12 of Commonhold and Leasehold Reform Act 2002.

Inspection

Neither party suggested that an inspection of the Property was necessary and the Tribunal determined that no inspection was necessary.

The Law

The relevant statutory provisions are set out in Appendix 1 to this decision.

The Tribunal also had regard to the following legal decisions which had been referred to by the Applicant

Earl Cadogan & Cadogan Estates Ltd v Sportelli & Sportelli (2006)

LRA/50/2005

Hildron [LRA/120/2006]

Culley v Daejan Properties Limited (2009) PLSCS 260

Zuckerman case [LRA/97/2008]

.....
Chairman

30 January 2012

APPENDIX 1

LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

s 48 Applications where terms in dispute or failure to enter into new lease.

- (1) Where the landlord has given the tenant—
- (a) a counter-notice under section 45 which complies with the requirement set out in subsection (2)(a) of that section, or
- (b) a further counter-notice required by or by virtue of section 46(4) or section 47(4) or (5),

but any of the terms of acquisition remain in dispute at the end of the period of two months beginning with the date when the counter-notice or further counter-notice was so given, a leasehold valuation tribunal may, on the application of either the tenant or the landlord, determine the matters in dispute.

(7) In this Chapter "the terms of acquisition", in relation to a claim by a tenant under this Chapter, means the terms on which the tenant is to acquire a new lease of his flat, whether they relate to the terms to be contained in the lease or to the premium or any other amount payable by virtue of Schedule 13 in connection with the grant of the lease, or otherwise.

s 56 Obligation to grant new lease.

(1) Where a qualifying tenant of a flat has under this Chapter a right to acquire a new lease of the flat and gives notice of his claim in accordance with section 42, then except as provided by this Chapter the landlord shall be bound to grant to the tenant, and the tenant shall be bound to accept—

- (a) in substitution for the existing lease, and
- (b) on payment of the premium payable under Schedule 13 in respect of the grant,

a new lease of the flat at a peppercorn rent for a term expiring 90 years after the term date of the existing lease.

S 60 Costs incurred in connection with new lease to be paid by tenant.

(1) Where a notice is given under section 42, then (subject to the provisions of this section) the tenant by whom it is given shall be liable, to the extent that they have been incurred by any relevant person in pursuance of the notice, for the reasonable costs of and incidental to any of the following matters, namely—

- (a) any investigation reasonably undertaken of the tenant's right to a new lease;
- (b) any valuation of the tenant's flat obtained for the purpose of fixing the premium or any other amount payable by virtue of Schedule 13 in connection with the grant of a new lease under section 56;
- (c) the grant of a new lease under that section;

but this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.

(2) For the purposes of subsection (1) any costs incurred by a relevant person in respect of professional services rendered by any person shall only be regarded as reasonable if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.

SCHEDULE 13 PART II PREMIUM PAYABLE IN RESPECT OF GRANT OF NEW LEASE

Premium payable by tenant

2 The premium payable by the tenant in respect of the grant of the new lease shall be the aggregate of—

- (a) the diminution in value of the landlord's interest in the tenant's flat as determined in accordance with paragraph 3,
- (b) the landlord's share of the marriage value as determined in accordance with paragraph 4, and

(c) any amount of compensation payable to the landlord under paragraph 5.

Diminution in value of landlord's interest

3(1) The diminution in value of the landlord's interest is the difference between—

- (a) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease; and
- (b) the value of his interest in the flat once the new lease is granted.

3(2) Subject to the provisions of this paragraph, the value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) is the amount which at the relevant date that interest might be expected to realise if sold on the open market by a willing seller (with neither the tenant nor any owner of an intermediate leasehold interest buying or seeking to buy) on the following assumptions—

- (a) on the assumption that the vendor is selling for an estate in fee simple or (as the case may be) such other interest as is held by the landlord, subject to the relevant lease and any intermediate leasehold interests;
- (b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;
- (c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and
- (d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which the relevant lease has effect or (as the case may be) is to be granted.

3(3) In sub-paragraph (2) "the relevant lease" means either the tenant's existing lease or the new lease, depending on whether the valuation is for the purposes of paragraph (a) or paragraph (b) of sub-paragraph (1).

3(4) It is hereby declared that the fact that sub-paragraph (2) requires assumptions to be made as to the matters specified in paragraphs (a) to (d) of that sub-paragraph does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) might be expected to realise if sold as mentioned in sub-paragraph (2).

3(5) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

(6) The value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) shall not be increased by reason of—

- (a) any transaction which—
 - (i) is entered into on or after the date of the passing of this Act (otherwise than in pursuance of a contract entered into before that date), and
 - (ii) involves the creation or transfer of an interest superior to (whether or not preceding) any interest held by the tenant; or
- (b) any alteration on or after that date of the terms on which any such superior interest is held.

Landlord's share of marriage value

4(1) The marriage value is the amount referred to in sub-paragraph (2), and the landlord's share of the marriage value is 50 per cent. of that amount.

4(2) Subject to sub-paragraph (2A), the marriage value is the difference between the following amounts, namely—

- (a) the aggregate of—
 - (i) the value of the interest of the tenant under his existing lease,
 - (ii) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease, and
 - (iii) the values prior to the grant of that lease of all intermediate leasehold interests (if any); and
- (b) the aggregate of—
 - (i) the value of the interest to be held by the tenant under the new lease,
 - (ii) the value of the landlord's interest in the tenant's flat once the new lease is granted, and
 - (iii) the values of all intermediate leasehold interests (if any) once that lease is granted.

4(2A) Where at the relevant date the unexpired term of the tenant's existing lease exceeds eighty years, the marriage value shall be taken to be nil.

4(3) For the purposes of sub-paragraph (2)—

(a) the value of the interest of the tenant under his existing lease shall be determined in accordance with paragraph 4A;

(aa) the value of the interest to be held by the tenant under the new lease shall be determined in accordance with paragraph 4B;

(b) the value of any such interest of the landlord as is mentioned in paragraph (a) or paragraph (b) of sub-paragraph (2) is the amount determined for the purposes of paragraph 3(1)(a) or paragraph 3(1)(b) (as the case may be); and

(c) the value of any intermediate leasehold interest shall be determined in accordance with paragraph 8, and shall be so determined as at the relevant date .

4A(1) Subject to the provisions of this paragraph, the value of the interest of the tenant under the existing lease is the amount which at the relevant date that interest might be expected to realise if sold on the open market by a willing seller (with neither the landlord nor any owner of an intermediate leasehold interest buying or seeking to buy) on the following assumptions—

(a) on the assumption that the vendor is selling such interest as is held by the tenant subject to any interest inferior to the interest of the tenant;

(b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;

(c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and

(d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which any interest inferior to the existing lease of the tenant has effect.

4A(2) It is hereby declared that the fact that sub-paragraph (1) requires assumptions to be made in relation to particular matters does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date the interest of the tenant under his existing lease might be expected to realise if sold as mentioned in that sub-paragraph.

4A(3) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

4A(4) Subject to sub-paragraph (5), the value of the interest of the tenant under his existing lease shall not be increased by reason of—

(a) any transaction which—

(i) is entered into after 19th January 1996, and

(ii) involves the creation or transfer of an interest inferior to the tenant's existing lease; or

(b) any alteration after that date of the terms on which any such inferior interest is held.

4A(5) Sub-paragraph (4) shall not apply to any transaction which falls within paragraph (a) of that sub-paragraph if—

(a) the transaction is entered into in pursuance of a contract entered into on or before the date mentioned in that paragraph; and

(b) the amount of the premium payable by the tenant in respect of the grant of the new lease was determined on or before that date either by agreement or by a leasehold valuation tribunal under this Chapter.]

4B(1) Subject to the provisions of this paragraph, the value of the interest to be held by the tenant under the new lease is the amount which at the relevant date that interest (assuming it to have been granted to him at that date) might be expected to realise if sold on the open market by a willing seller (with the owner of any interest superior to the interest of the tenant not buying or seeking to buy) on the following assumptions—

(a) on the assumption that the vendor is selling such interest as is to be held by the tenant under the new lease subject to the inferior interests to which the tenant's existing lease is subject at the relevant date ;

(b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;

(c) on the assumption that there is to be disregarded any increase in the value of the flat which would fall to be disregarded under paragraph (c) of sub-paragraph (1) of paragraph 4A in valuing in accordance with that sub-paragraph the interest of the tenant under his existing lease; and

(d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which any interest inferior to the tenant's existing lease at the relevant date then has effect.

4B(2) It is hereby declared that the fact that sub-paragraph (1) requires assumptions to be made in relation to particular matters does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date the interest to be held by the tenant under the new lease might be expected to realise if sold as mentioned in that sub-paragraph.

4B(3) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

4B(4) Subject to sub-paragraph (5), the value of the interest to be held by the tenant under the new lease shall not be decreased by reason of—

(a) any transaction which—

(i) is entered into after 19th January 1996, and

(ii) involves the creation or transfer of an interest inferior to the tenant's existing lease; or

(b) any alteration after that date of the terms on which any such inferior interest is held.

4B(5) Sub-paragraph (4) shall not apply to any transaction which falls within paragraph (a) of that sub-paragraph if—

(a) the transaction is entered into in pursuance of a contract entered into on or before the date mentioned in that paragraph; and

(b) the amount of the premium payable by the tenant in respect of the grant of the new lease was determined on or before that date either by agreement or by a leasehold valuation tribunal under this Chapter.

5(1) Where the landlord will suffer any loss or damage to which this paragraph applies, there shall be payable to him such amount as is reasonable to compensate him for that loss or damage. 5(2) This paragraph applies to—

(a) any diminution in value of any interest of the landlord in any property other than the tenant's flat which results from the grant to the tenant of the new lease; and

(b) any other loss or damage which results therefrom to the extent that it is referable to the landlord's ownership of any such interest.

5(3) Without prejudice to the generality of paragraph (b) of sub-paragraph (2), the kinds of loss falling within that paragraph include loss of development value in relation to the tenant's flat to the extent that it is referable as mentioned in that paragraph.

5(4) In sub-paragraph (3) "development value", in relation to the tenant's flat, means any increase in the value of the landlord's interest in the flat which is attributable to the possibility of demolishing, reconstructing, or carrying out substantial works of construction affecting, the flat (whether together with any other premises or otherwise).

Commonhold and Leasehold Reform Act 2002.

SCHEDULE 12 PARAGRAPH 10

COSTS

(1) A leasehold valuation tribunal may determine that a party to proceedings shall pay the costs incurred by another party in connection with the proceedings in any circumstances falling within sub-paragraph (2).

(2) The circumstances are where—

- (a) he has made an application to the leasehold valuation tribunal which is dismissed in accordance with regulations made by virtue of paragraph 7, or
 - (b) he has, in the opinion of the leasehold valuation tribunal, acted frivolously, vexatiously, abusively, disruptively or otherwise unreasonably in connection with the proceedings.
- (3) The amount which a party to proceedings may be ordered to pay in the proceedings by a determination under this paragraph shall not exceed—
- (a) £500, or
 - (b) such other amount as may be specified in procedure regulations.
- (4) A person shall not be required to pay costs incurred by another person in connection with proceedings before a leasehold valuation tribunal except by a determination under this paragraph or in accordance with provision made by any enactment other than this paragraph.

APPENDIX 2

Valuation

Components

Valuation date:	14 th January 2011	
Existing Lease:	Date Commenced- Term- Lease expires- Unexpired term- Ground rent-	25 th December 1995 99 years 24 th December 2094 84 years £15.75 per annum
Proposed Lease:	174 years	
	Ground Rent:	nil
Yield for ground rent:	7.5%	
Deferment Rate:	5.0%	
Unimproved market value with virtual freehold-	£490,000.00	

Diminution in value of Freeholders Interest

1-Freeholder's Present Interest

£15.75 for 84 years @ 7.5%	
£15.75 x 13.3027	£209.52

2- Valuation of reversion:

£490,000 @ 5.0% def'd 84 years	
£490,000 x 0.0.165996	£8133.80

3- Freeholder's Future Interest

£490,000 @ 5% def'd 174 years	
£490,000 x 0.0004	£19.60

Diminution in Freeholders Interest	£8362.92
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<u>Premium Payable for New Lease say</u>	<u>£8363.00</u>
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