

suggested by Mr Thompson. Mr Marr-Johnson had deducted somewhat arbitrary figures from the existing Lease value to reflect the impact of the rent review clause and in those circumstances we are prepared, in this instance, to agree Mr Thompson's valuation of the existing Lease at £210,000.00 for flat 3 and £191,250.00 for flat 14. An analysis of the extended and existing lease values shows that Mr Thompson's valuation gave a relativity of 92.17% and Mr Marr-Johnson of 89.5%. The Tribunals decision equates to a relativity of just over 91%.

32. The next matter we need to deal with is yield rates. The evidence we received from both parties was not terribly helpful. Mr Thompson had relied on Leasehold Valuation Tribunal Decisions. Two were cited in his Report and he had also obtained further information for the Residential Property Tribunal Service website. We accept that Leasehold Valuation Tribunals and indeed Land Tribunal Decisions are not binding on us. We have of course borne in mind what appears to be now known as the "Grand Assize" case that came before the Lands Tribunal in September of this year. The lead appeal was by a Mr Arbib. These of course referred to properties predominantly on the Cadogan Estate but also Rosary Gardens in London. There is no doubt that the Cadogan Estate would be considered as prime Central London residential areas and although Windsor is certainly a prime area we do not believe it is comparable to properties in Chelsea Square or Cadogan Square. It is fair to say that we have had no compelling evidence given as to what levels of capitalisation or deferment rates should be applied in this case. Both Valuers have expressed their opinions but with little to back them up. No financial data been given to us and we must therefore fall back on our own knowledge and experience whilst of course taking into account all that has been said by Mr Thompson and Mr Marr-Johnson. In that Lands Tribunal case it is interesting to note that the Tribunal did not greatly interfere with the deferment rate on the Rosary Gardens property which was initially 6.25%, although accepting that the Tribunal did not endorse that percentage. We cannot accept that if the property in Rosary Gardens has such a deferment rate that a property in Windsor should be less than that.
33. In the Cadogan cases the Lands Tribunal was dealing with deferment rates only. They found that the starting point in the absence of market evidence was risk free gilts with a return of 2%. To that should be added risk factors to increase the rate applicable in the particular case. This includes the question of the obsolescence of the property and the growth potential, among other factors. We do think that the figures of 8% put forward by