

**LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON
RENT ASSESSMENT PANEL**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON
APPLICATIONS UNDER SECTION 48 OF THE LEASEHOLD REFORM,
HOUSING AND URBAN DEVELOPMENT ACT 1993**

Properties: Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 and 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Applicants: Various lessees of Wetherby Mansions

Respondent: C H Chesterford Ltd.

Application date: 23rd May 2006 by Tenants

Hearing date: 14th November 2006

Appearances: For the Applicants:
Mr C J Coan FRICS
of Congreve Horner

For the Respondents:
Mr A E Fanshawe MRICS
of Douglas & Gordon

Members of the Leasehold Valuation Tribunal:

Mrs J S L Goulden JP – Chairman

Mr L Jarero BSc FRICS

Dr A M Fox BSc PhD MCI Arb

Date of Tribunal's decision: 14th December 2006

LON/NL/5146-5157/06

PROPERTIES: FLATS 26, 26C, 30A, 34, 36, 38, 38A, 42, 42A, 44, 44A, 46 & 48, WETHERBY MANSIONS, EARLS COURT SQUARE, LONDON SW5 9DJ

BACKGROUND

1. The Tribunal was dealing with applications of various dates, but accepted by both sides for this purpose as being 24 December 2005 under Section 48 of the Leasehold Reform, Housing and Urban Development Act 1983 (hereinafter referred to as "the Act") in respect of the premium to be paid for lease extensions of Flats 26, 26C, 30A, 34, 36, 38, 39A, 42, 42A, 44, 44A, 46 and 48, Wetherby Mansions, Earls Court Square, London, SW5 9DJ (hereinafter referred to as "the subject flats"). The Applicants were the respective lessees of the flats and the Respondent is C H Chesterford Ltd.

INSPECTION

2. Wetherby Mansions was inspected by the Tribunal accompanied by Mr C Wood (Flat 26C) following the conclusion of the hearing on 15 November 2006. It comprised five large Victorian mansion blocks consisting of 24 flats over six floors including the lower ground floor. The block was situated to the west of the southern end of Earl's Court Square. Although in a busy area, the square was somewhat quieter. The subject flats were all located in one block i.e. 26-48 Wetherby Mansions.
3. The Tribunal inspected externally the position of all of the flats within the blocks and were invited to inspect, internally, Flat Nos 26C, 32A, 34 and 48. Although Flat 32A was not part of the application, Mr Wood advised that the layout was similar to Flat 38A and also to Flat 30 (one of the comparables provided).

HEARING

4. The hearing took place on 14 November 2006.
5. The Applicants were represented by Mr C J Coan FRICS of Congreve Horner and the Respondent was represented by Mr A E Fanshawe MRICS of Douglas & Gordon. One of the Applicants, Mr C Wood of Flat 26C, attended together with his father.
6. The following matters were agreed:-

- (a) The freehold value of each flat is as follows:

Flat No	Freehold Value
26	£484,000
26C	£275,000
30A	£315,000
34	£490,000
36	£499,000
38A	£328,500
42 & 38	£955,000
42A	£338,500
44	£500,000
44A	£400,000
46	£890,000
48	£426,750

- (b) The capitalisation rate at 6.5%
 - (c) The extended lease value at 99% of the freehold value
 - (d) The valuation date was 24 December 2005.
7. In addition, the Tribunal was advised by the valuers for both sides that the lease terms were “*virtually*” agreed, and that the Tribunal was not being

asked at this stage to make a determination in respect of Section 60 costs.

8. A copy of the lease of each of the subject flats was supplied.
9. The matters which remained in issue and which required the determination of the Tribunal were as follows:-

- (a) Relativity**
- (b) Deferment rate**
- (c) Enfranchisement price**

10. The salient parts of the evidence are given under each head.

- (a) Relativity**

11. Mr Coan contended for a relativity of 91.3% which, during the hearing, he revised to 90.4%. Mr Fanshawe contended for a relativity of 82.5%.
12. Mr Coan based his relativity solely on market evidence, which he said should take priority over other evidence. He referred to a sale of Flat 30, Wetherby Mansions on 29 November 2005, and therefore close to the valuation date. The lease of Flat 30 had 94 years unexpired and the sale price was £477,000. He compared this with the sale of Flat 28, Wetherby Mansions on 5 May 2006, some five months after the valuation date. The lease of Flat 28 had just over 58.5 years unexpired and the sale price was £490,000. Mr Coan had made adjustments in respect of the passage of time and rights under the Act for Flat 30 and, in respect of Flat 28, adjustments for condition, passage of time, rights under the Act and the difference between a ground floor flat (Flat 30) and lower ground floor flat (Flat 28). Although Mr Coan referred to a first floor flat, Flat 34A, which was presently on the market at £525,000 and although he made a 10% reduction in respect of the difference between the ground and first floors, Mr Coan did not take Flat 34A into account since he thought it "too

expensive of little assistance", and in any event this flat had not been sold.

13. Mr Fanshawe based his relativity on three sources, namely relativities determined in previous Leasehold Valuation Tribunal decisions, relativity tables and charts (and in particular the 2005 Beckett and Key "Graph of Graphs") and settlements with comparable lease lengths. He relied, in particular, on an Leasehold Valuation Tribunal decision dated 5 February 2004 relating to 57 Linden Gardens, W11 where the leases had 59.58 years remaining and where the location was not dissimilar to the subject flats. In that case the Tribunal had determined a relativity of 83%.
14. The Tribunal prefers the evidence of Mr Fanshawe. Although it agrees with Mr Coan that open market evidence is preferable, his market evidence was considered very limited in that he derived his relativity from only two sales of dissimilar flats in the block. He confirmed that he had not thought there was any need to cross-check his conclusion.
15. The Tribunal determines a relativity of 82.5%.

(b) Deferment rate

16. Mr Coan contended for 6.5% and Mr Fanshawe contended for 5%.
17. Mr Coan said that although he accepted a deferment rate of 5% would be appropriate in prime Central London, *"I do not believe that this rate should be universally applied irrespective of location or calibre of property ..."* (following the Sportelli case).
18. Mr Fanshawe said in his report that following the decision in Sportelli in which the Lands Tribunal stated, inter alia, that on the evidence before it there was *"no justification to make any adjustment to reflect national or local considerations either generally or in relation to the particular cases before them"*. The decision had been made in the Sportelli case that a deferment rate of 5% was appropriate.

19. The Lands Tribunal's decision in the Sportelli case appears clear in relation to the deferment rate. In paragraph 88 of that decision it states: *"While we accept the view of the valuers that the deferment rate could require adjustment for location, on the evidence before us we see no justification for making any adjustment to reflect regional or local considerations either generally or in relation to the particular cases before us. The evidence of the financial experts suggests that no adjustment to the real growth rate is appropriate given the long-term basis of the deferment rate, and locational differences of a local nature are, in the absence of clear evidence suggesting otherwise, to be assumed to be properly reflected in the freehold vacant possession value."* Further, in paragraph 123 it states *"the application of the deferment rate of 5% for flats and 4.75% for houses that we have found to be generally applicable will need to be considered in relation to the facts of each individual case. Before applying a rate that is different from this, however, a valuer or an Leasehold Valuation Tribunal should be satisfied that there are particular features that fall outside the matters that are reflected in the vacant possession value of the house or flat or in the deferment rate itself and can be shown to make a departure from the rate appropriate"*.
20. Although each Tribunal must consider each case on its merits, and although this Tribunal is open to persuasion in respect of the deferment rate, it is not considered that in this particular case Mr Coan has put forward persuasive arguments which would merit the Tribunal from departing from the deferment rate as determined in the Sportelli case of 5%.

(c) Enfranchisement price

21. Mr Coan's suggested enfranchisement price for the subject flats are set out below, and his valuations are attached as Appendix B.

Flat No	Premium
26	£30,590
26C	£18,150
30A	£5,293
34	£30,432
36	£30,968
38A	£20,884
38/42	£69,372
42A	£21,392
44	£31,028
44A	£25,061
46	£7,317
48	£26,657

22. Mr Fanshawe's suggested enfranchisement price for the subject flats are set out below and his valuations are attached as Appendix C.

Flat No	Premium
Flat 26	£55,100
Flat 26C	£32,100
Flat 30A	£7,900
Flat 34	£55,200
Flat 36	£55,200
Flat 38/42	£107,700
Flat 38A	£37,500
Flat 42A	£38,600
Flat 44	£56,300
Flat 44A	£45,300
Flat 46	£13,900
Flat 48	£48,200

23. Having accepted Mr Fanshawe's evidence (but not his valuations), the Tribunal determines the enfranchisement price for the subject flats as set out below and its valuations are attached as Appendix A.

Flat No	Premium
Flat 26	£55,074
Flat 26C	£32,031
Flat 30A	£7,771
Flat 34	£55,218
Flat 36	£56,210
Flat 38/42	£107,679
Flat 38A	£37,501
Flat 42A	£38,604
Flat 44	£56,320
Flat 44A	£45,295
Flat 46	£13,895
Flat 48	£48,244

CHAIRMAN



DATE

14 December 2006

JG

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 26, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£484,000
Value of existing leasehold @ 82.5% of freehold value	£399,300
Value of extended lease @ 99% of freehold value	£479,160
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£200	
YP 29 yrs @ 6.5%	12.9075	£2,582
Review to revised ground rent	£400	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£841
Reversion to freehold value	£484,000	
PV of £1 @ 5% in 59 years	0.0562	<u>£27,201</u>
		£30,624
Freeholders Interest after grant of long lease		
Reversion to freehold value	£484,000	
PV of £1 @ 5% in 149 years	0.000696	£337

Value of tenant's present interest £399,300

Tenant's interest after grant of long lease £479,160

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£337	
Tenant's interest	<u>£479,160</u>	
		£479,497
Value of existing interests		
Freeholder's interest from above	£30,624	
Tenant's interest	£399,300	
		£429,924
Marriage value		£49,573
Marriage value to be divided equally between freeholder and tenant		£24,787

Premium payable to freeholder

Present interest - from above	£30,624
Share of marriage value	£24,787
Less freeholder's proposed interest	<u>£337</u>
Total premium payable	<u>£55,074</u>

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 26c, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£275,000
Value of existing leasehold @ 82.5% of freehold value	£226,875
Value of extended lease @ 99% of freehold value	£272,250
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£200	
YP 29 yrs @ 6.5%	12.9075	£2,582
Review to revised ground rent	£400	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£841
Reversion to freehold value	£275,000	
PV of £1 @ 5% in 59 years	0.0562	<u>£15,455</u>
		£18,878

Freeholders Interest after grant of long lease

Reversion to freehold value	£275,000	
PV of £1 @ 5% in 149 years	0.000696	£191

Value of tenant's present interest £226,875

Tenant's interest after grant of long lease £272,250

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£191	
Tenant's interest	<u>£272,250</u>	
		£272,441

Value of existing interests

Freeholder's interest from above	£18,878	
Tenant's interest	<u>£226,875</u>	
		£245,753
Marriage value		£26,688
Marriage value to be divided equally between freeholder and tenant		£13,344

Premium payable to freeholder

Present interest - from above	£18,878
Share of marriage value	£13,344
Less freeholder's proposed interest	<u>£191</u>
Total premium payable	<u>£32,031</u>

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 30a, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£315,000
Value of existing leasehold @ 82.5% of freehold value	£259,875
Value of extended lease @ 99% of freehold value	£311,850
Length of lease remaining	94 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£250	
YP 29 yrs @ 6.5%	12.9075	£3,227
Review to revised ground rent	£500	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£1,051
Review to revised ground rent	£1,000	
YP 35 yrs @ 6.5%	13.6870	
PV £1 in 59yrs @ 6.5%	0.0234	£320
Reversion to freehold value	£315,000	
PV of £1 @ 5% in 94 years	0.0102	£3,213
		£7,811

Freeholders Interest after grant of long lease

Reversion to freehold value	£315,000	
PV of £1 @ 5% in 184 years	0.000126	£40

Calculation of marriage value

Nil

Premium payable to freeholder

Present interest - from above	£7,811
Less freeholder's proposed interest	£40
Total premium payable	£7,771

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 34, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£490,000
Value of existing leasehold @ 82.5% of freehold value	£404,250
Value of extended lease @ 99% of freehold value	£485,100
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£215	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£452
Reversion to freehold value	£490,000	
PV of £1 @ 5% in 59 years	0.0562	£27,538
		£29,926

Freeholders Interest after grant of long lease

Reversion to freehold value	£490,000	
PV of £1 @ 5% in 149 years	0.000696	£341

Value of tenant's present interest £404,250

Tenant's interest after grant of long lease £485,100

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£341	
Tenant's interest	£485,100	
		£485,441

Value of existing interests

Freeholder's interest from above	£29,926	
Tenant's interest	£404,250	
		£434,176

Marriage value £51,265

Marriage value to be divided equally
between freeholder and tenant £25,633

Premium payable to freeholder

Present interest - from above	£29,926
Share of marriage value	£25,633
Less freeholder's proposed interest	£341
Total premium payable	£55,218

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 36, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£499,000
Value of existing leasehold @ 82.5% of freehold value	£411,675
Value of extended lease @ 99% of freehold value	£494,010
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£215	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£452
Reversion to freehold value	£499,000	
PV of £1 @ 5% in 59 years	0.0562	<u>£28,044</u>
		£30,432

Freeholders Interest after grant of long lease

Reversion to freehold value	£499,000	
PV of £1 @ 5% in 149 years	0.000696	£347

Value of tenant's present interest £411,675

Tenant's interest after grant of long lease £494,010

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£347	
Tenant's interest	<u>£494,010</u>	
		£494,357

Value of existing interests

Freeholder's interest from above	£30,432	
Tenant's interest	<u>£411,675</u>	

	£442,107
Marriage value	£52,250
Marriage value to be divided equally between freeholder and tenant	£26,125

Premium payable to freeholder

Present interest - from above	£30,432
Share of marriage value	£26,125
Less freeholder's proposed interest	<u>£347</u>
Total premium payable	<u>£56,210</u>

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 38 & 42, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value of Flat 38	£475,000
Freehold value of Flat 42	£480,000
Total	£955,000
Value of existing leasehold @ 82.5% of freehold value	£787,875
Value of extended lease @ 99% of freehold value	£945,450
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£300	
YP 29 yrs @ 6.5%	12.9075	£3,872
Review to revised ground rent	£430	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£904
Reversion to freehold value	£955,000	
PV of £1 @ 5% in 59 years	0.0562	£53,671
		£58,447

Freeholders Interest after grant of long lease

Reversion to freehold value	£955,000	
PV of £1 @ 5% in 149 years	0.000696	£665

Value of tenant's present interest £787,875

Tenant's interest after grant of long lease £945,450

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£665	
Tenant's interest	£945,450	
		£946,115

Value of existing interests

Freeholder's interest from above	£58,447	
Tenant's interest	£787,875	
		£846,322
Marriage value		£99,793
Marriage value to be divided equally between freeholder and tenant		£49,897

Premium payable to freeholder

Present interest - from above	£58,447
Share of marriage value	£49,897
Less freeholder's proposed interest	£665
Total premium payable	£107,679

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 38a, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£328,500
Value of existing leasehold @ 82.5% of freehold value	£271,013
Value of extended lease @ 99% of freehold value	£325,215
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£300	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£631
Reversion to freehold value	£328,500	
PV of £1 @ 5% in 59 years	0.0562	<u>£18,462</u>
		£21,029

Freeholders Interest after grant of long lease

Reversion to freehold value	£328,500	
PV of £1 @ 5% in 149 years	0.000696	£229

Value of tenant's present interest £271,013

Tenant's interest after grant of long lease £325,215

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£229	
Tenant's interest	<u>£325,215</u>	£325,444

Value of existing interests

Freeholder's interest from above	£21,029	
Tenant's interest	<u>£271,013</u>	£292,042

Marriage value	£33,402
Marriage value to be divided equally between freeholder and tenant	£16,701

Premium payable to freeholder

Present interest - from above	£21,029
Share of marriage value	£16,701
Less freeholder's proposed interest	<u>£229</u>
Total premium payable	<u>£37,501</u>

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 42a, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£338,500
Value of existing leasehold @ 82.5% of freehold value	£279,263
Value of extended lease @ 99% of freehold value	£335,115
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£300	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£631
Reversion to freehold value	£338,500	
PV of £1 @ 5% in 59 years	0.0562	£19,024
		£21,591

Freeholders Interest after grant of long lease

Reversion to freehold value	£338,500	
PV of £1 @ 5% in 149 years	0.000696	£236

Value of tenant's present interest £279,263

Tenant's interest after grant of long lease £335,115

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£236	
Tenant's interest	£335,115	
		£335,351

Value of existing interests

Freeholder's interest from above	£21,591	
Tenant's interest	£279,263	
		£300,854
Marriage value		£34,497
Marriage value to be divided equally between freeholder and tenant		£17,249

Premium payable to freeholder

Present interest - from above	£21,591
Share of marriage value	£17,249
Less freeholder's proposed interest	£236
Total premium payable	£38,604

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 44, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£500,000
Value of existing leasehold @ 82.5% of freehold value	£412,500
Value of extended lease @ 99% of freehold value	£495,000
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£215	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£452
Reversion to freehold value	£500,000	
PV of £1 @ 5% in 59 years	0.0562	<u>£28,100</u>
		£30,488

Freeholders Interest after grant of long lease

Reversion to freehold value	£500,000	
PV of £1 @ 5% in 149 years	0.000696	£348

Value of tenant's present interest £412,500

Tenant's interest after grant of long lease £495,000

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£348	
Tenant's interest	<u>£495,000</u>	
		£495,348

Value of existing interests

Freeholder's interest from above	£30,488	
Tenant's interest	<u>£412,500</u>	

£442,988

Marriage value £52,360

Marriage value to be divided equally between freeholder and tenant £26,180

Premium payable to freeholder

Present interest - from above	£30,488
Share of marriage value	£26,180
Less freeholder's proposed interest	<u>£348</u>
Total premium payable	<u>£56,320</u>

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 44a, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£400,000
Value of existing leasehold @ 82.5% of freehold value	£330,000
Value of extended lease @ 99% of freehold value	£396,000
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£215	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£452
Reversion to freehold value	£400,000	
PV of £1 @ 5% in 59 years	0.0562	<u>£22,480</u>
		£24,868

Freeholders interest after grant of long lease

Reversion to freehold value	£400,000	
PV of £1 @ 5% in 149 years	0.000696	£278

Value of tenant's present interest £330,000

Tenant's interest after grant of long lease £396,000

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£278	
Tenant's interest	<u>£396,000</u>	
		£396,278

Value of existing interests

Freeholder's interest from above	£24,868	
Tenant's interest	<u>£330,000</u>	

£354,868

Marriage value £41,410

Marriage value to be divided equally
between freeholder and tenant £20,705

Premium payable to freeholder

Present interest - from above	£24,868
Share of marriage value	£20,705
Less freeholder's proposed interest	<u>£278</u>
Total premium payable	<u>£45,295</u>

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 46, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£890,000
Value of extended lease @ 99% of freehold value	£881,100
Length of lease remaining	94 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 2 yrs @ 6.5%	1.8206	£273
Review to revised ground rent	£300	
YP 33 yrs @ 6.5%	13.4591	
PV £1 in 2yrs @ 6.5%	0.8816	£3,560
Review to revised ground rent	£600	
YP 33 yrs @ 6.5%	13.4591	
PV £1 in 35yrs @ 6.5%	0.1104	£891
Review to revised ground rent	£1,200	
YP 26 yrs @ 6.5%	12.3924	
PV £1 in 68yrs @ 6.5%	0.0138	£205
Reversion to freehold value	£890,000	
PV of £1 @ 5% in 94 years	0.0102	£9,078
		£14,007

Freeholders interest after grant of long lease

Reversion to freehold value	£890,000	
PV of £1 @ 5% in 184 years	0.000126	£112

Calculation of marriage value

Nil

Premium payable to freeholder

Present interest - from above	£14,007
Less freeholder's proposed interest	£112
Total premium payable	£13,895

Leasehold Valuation Tribunal

Ref: LON/NL/5146-5157/06

Flats 26, 26c, 30a, 34, 36, 38, 38a, 42, 42a, 44, 44a, 46 & 48
Wetherby Mansions, Earls Court Square, London SW5 9DJ

Valuation of 48, Wetherby Mansions, Earls Court Square, London SW5 9DJ

Freehold value	£426,750
Value of existing leasehold @ 82.5% of freehold value	£352,069
Value of extended lease @ 99% of freehold value	£422,483
Length of lease remaining	59 years
Ground rent capitalisation rate	6.50%
Deferment rate	5%
Valuation date	24 December 2005

Value of freeholder's present interest

Ground rent	£150	
YP 29 yrs @ 6.5%	12.9075	£1,936
Review to revised ground rent	£215	
YP 30 yrs @ 6.5%	13.0587	
PV £1 in 29yrs @ 6.5%	0.1610	£452
Reversion to freehold value	£426,750	
PV of £1 @ 5% in 59 years	0.0562	<u>£23,983</u>
		£26,371

Freeholders Interest after grant of long lease

Reversion to freehold value	£426,750	
PV of £1 @ 5% in 149 years	0.000696	£297

Value of tenant's present interest £352,069

Tenant's interest after grant of long lease £422,483

Calculation of marriage value**Value of property after grant of long lease**

Freeholder's interest	£297	
Tenant's interest	<u>£422,483</u>	
		£422,780

Value of existing interests

Freeholder's interest from above	£26,371	
Tenant's interest	<u>£352,069</u>	
		£378,440
Marriage value		£44,340
Marriage value to be divided equally between freeholder and tenant		£22,170

Premium payable to freeholder

Present interest - from above	£26,371
Share of marriage value	£22,170
Less freeholder's proposed interest	<u>£297</u>
Total premium payable	<u>£48,244</u>

VALUATIONS

Flat 26

Ground Rent		£200		
YP 29yrs @ 6.5%		<u>12.907</u>	£2581.40	
Reversion to		£400		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£840</u>	£3481.40
Reversion to FH		£484,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£11,761.20</u>
				£15,182.60
M.V. 149 yr long lease – 1% of freehold		£479,160		
Current 59 yr lease @ 90.4%	£433,160			
Current freehold	<u>£15,182</u>	<u>£448,342</u>		
		£26,926	x 50%	<u>£15,408</u>
				£30,590

Flat 26c

Ground Rent		£200		
YP 29yrs @ 6.5%		<u>12.907</u>	£2581.40	
Reversion to		£400		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£840</u>	£3481.40
Reversion to FH		£275,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£6,682.50</u>
				£10,164
M.V. 149 yr long lease –1% of freehold		£272,250		
Current 59 yr lease @ 90.4%	£246,114			
Current freehold	<u>£10,164</u>	<u>£256,278</u>		
		£15,972	x 50%	<u>£7,986</u>
				£18,150

Flat 30a

Ground Rent		£250		
YP 29yrs @ 6.5%		<u>12.907</u>	£3,230	
Reversion to		£500		
YP 65 yrs @ 6.5%	15.128			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.435</u>	<u>£1,217</u>	£4,447
Reversion to FH		£315,000		
PV of £1 in 94yr @ 6.5%		<u>.002686</u>		<u>£846</u>
				£5,293

No Marriage Value

Flat 34

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£215		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£451</u>	£2,387
Reversion to FH		£490,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£11,907</u>
				£14,294
M.V. 149 yr long lease -1% of freehold		£485,100		
Current 59 yr lease @ 90.4%	£438,530			
Current freehold	<u>£14,294</u>	<u>£452,824</u>		
		<u>£32,276</u>	x 50%	<u>£16,138</u>
				£30,432

Flat 36

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£215		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£451</u>	£2,387
Reversion to FH		£499,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£12,126</u>
				£14,513
M.V. 149 yr long lease –1% of freehold		£494,010		
Current 59 yr lease @ 90.4%	£446,585			
Current freehold	<u>£14,513</u>	<u>£461,098</u>		
		£32,911	x 50%	<u>£16,455</u>
				£30,968

Flat 38a

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£300		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£630</u>	£2,566
Reversion to FH		£328,500		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£7,982</u>
				£10,548
M.V. 149 yr long lease –1% of freehold		£325,215		
Current 59 yr lease @ 90.4%	£293,994			
Current freehold	<u>£10,548</u>	<u>£304,542</u>		
		£20,672	x 50%	<u>£10,336</u>
				£20,884

Flat 38/42

Ground Rent		£300		
YP 29yrs @ 6.5%		<u>12.907</u>	£3,872	
Reversion to		£430		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£903</u>	£4,775
Reversion to FH		£955,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£23,206</u>
				£27,981
M.V. 149 yr long lease –1% of freehold		£945,450		
Current 59 yr lease @ 90.4%	£854,686			
Current freehold	<u>£27,981</u>	<u>£882,667</u>		
		£62,783	x 50%	<u>£31,391</u>
				£59,372

Flat 42a

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£215		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£451</u>	£2,387
Reversion to FH		£338,500		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£8,225</u>
				£10,612
M.V. Long lease –as freehold		£335,115		
M.V. 149 yr long lease –1% of freehold	£302,943			
Current 59 yr lease @ 90.4%	<u>£10,612</u>	<u>£313,555</u>		
		£21,560	x 50%	<u>£10,780</u>
				£21,392

Flat 44

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£215		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£451</u>	£2,387
Reversion to FH		£500,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£12,150</u>
				£14,537
M.V. 149 yr long lease –1% of freehold		£495,500		
Current 59 yr lease @ 90.4%	£447,480			
Current freehold	<u>£14,537</u>	<u>£462,017</u>		
		£32,983	x 50%	<u>£16,491</u>
				£31,028

Flat 44a

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£215		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£451</u>	£2,387
Reversion to FH		£400,000		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£9,720</u>
				£12,107
M.V. 149 yr long lease –1% of freehold		£396,000		
Current 59 yr lease @ 90.4%	£357,984			
Current freehold	<u>£12,107</u>	<u>£370,091</u>		
		£25,903	x 50%	<u>£12,954</u>
				£25,061

Flat 46

Ground Rent		£150		
YP 2yrs @ 6.5%		<u>1.82</u>	£273	
Reversion to		£300		
YP 33 yrs @ 6.5%	13.459			
PV of £1 in 2yr @ 6.5%	<u>.8816</u>	<u>11.86</u>	<u>£3559</u>	
Reversion to		£600		
YP 33 yrs @ 6.5%	13.459			
PV of £1 in 35yr @ 6.5%	<u>.1103</u>	<u>1.484</u>	<u>£890</u>	
Reversion to		£1,200		
YP 26 yrs @ 6.5%	12.392			
PV of £1 in 68yr @ 6.5%	<u>.0138</u>	.171	<u>£205</u>	£4,927
Reversion to FH		£890,000		
PV of £1 in 94yr @ 6.5%		<u>.002686</u>		<u>£2,390</u>
				<u>£7,317</u>

No Marriage Value

Flat 48

Ground Rent		£150		
YP 29yrs @ 6.5%		<u>12.907</u>	£1,936	
Reversion to		£215		
YP 30 yrs @ 6.5%	13.6			
PV of £1 in 29yr @ 6.5%	<u>.161</u>	<u>2.1</u>	<u>£451</u>	£2,387
Reversion to FH		£426,750		
PV of £1 in 59yr @ 6.5%		<u>.0243</u>		<u>£10,370</u>
				<u>£12,757</u>
M.V. 149 yr long lease –1% of freehold		£422,482		
Current 59 yr lease @ 90.4%	£381,924			
Current freehold	<u>£12,757</u>	<u>£394,681</u>		
		£27,801	x 50%	<u>£13,900</u>
				<u>£26,657</u>

Comparables within the existing premises

Flat 30 –	Ground Floor 998sq ft	sold 29/11/05	£477,000	
	94yr lease			
	No act world	-2.5%	£465,075	
	5 week variation – plus 0.5%		£467,400	
	Add 1% for 149 yr lease		£472,074	
			Rate p.s.f.	£473.02

Flat 28 -	Lower Ground Floor 1147 sq ft	sold 5/5/06	£490,000	
	58.5yr lease			
	No act world	7.5%	£453,250	
	allow for condition			
	£55,000 to be spent but say £10,000		£463,250	
	add 10% for difference between L.G.F and G.F.		£509,575	
	using Savills Guide			
	March 06 – <u>309.3</u>			
	Dec 05 - 297.7 = Deduction of 3.75%	£490,465 @1147 =	£427.6 psf	
	Differentiation between 5 th May and end of March offset by being outside PCL (ends Chelsea)		Variable = 90.39%	
			Say 90.4%	

Flat 34a-	First Floor 764 sq ft on market now	£525,000		
	58.25 yr lease equivalent to Dec 05	<u>331.1</u>		
		297.7 =	£472,040	
	10% reduction from First to ground floor			
	=	<u>424,836 @ 764</u>		
				= £556 psf
	Too expensive of little assistance			

Appendix C

Douglas and Gordon

LEASEHOLD EXTENSION VALUATION

07/11/2006

ADDRESS:	Lease Expiry	25/12/2064
26 Wetherby Mansions	Existing Lease Value	£399,300
Earl's Court Square	Freehold value	£484,000
London	Extended Lease Value @ 99% of freehold value	£479,160
SW5	Ground Rent pa	£200 with reviews
	Interest Rate to capitalise Ground Rent (%)	6.5
	Interest Rate to calculate Freeholder's Reversion (%)	5
	Marriage Value Split	50/50
	Valuation Date	22/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest

1.1. Capitalisation of Ground Rent

	Ground Rent	£200	
YP 29.00 years @ 6.50 %		12.9075	£2,581
Review to		£400	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£841
			£3,423

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£484,000	
PV 59.00 years @ 5.00 %		0.0562	£27,207

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£484,000	
PV 149.00 years @ 5.00 %		0.000696	less £337

Loss in value of Freeholder's Present Interest therefore **£30,292**

2. Marriage Value

2.1. Sum of values of proposed interests

Value of New Lease to Leaseholder (Extended lease value)	£479,160	
Value of New Lease to Freeholder (Para 1.3 above)	£337	
		£479,497

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£30,629	
Plus Leaseholder's existing value (Existing lease value)	£399,300	
		£429,929

Marriage Value therefore **£49,568**

50% of Marriage Value to Freeholder **£24,784**

3. Premium Payable

£55,076

Say £55,100

ADDRESS:	Lease Expiry	25/12/2064
26c Wetherby Mansions	Existing Lease Value	£226,875
Earl's Court Square	Freehold value	£275,000
London	Extended Lease Value @ 99% of freehold value	£272,250
SW5	Ground Rent pa	£100 with reviews
	Interest Rate to capitalise Ground Rent (%)	6.25
	Interest Rate to calculate Freeholder's Reversion (%)	5
	Marriage Value Split	50/50
	Valuation Date	20/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest

1.1. Capitalisation of Ground Rent

	Ground Rent	£200	
YP 29.00 years @ 6.25 %		<u>13.2421</u>	£2,648
Review to		£400	
YP 30.00 years @ 6.25 %		<u>13.4043</u>	
PV 29.00 years @ 6.25 %		<u>0.172</u>	£924
			<u>£3,573</u>

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£275,000	
PV 59.00 years @ 5.00 %		<u>0.0562</u>	£15,458

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£275,000	
PV 149.00 years @ 5.00 %		<u>0.000696</u>	less £191

Loss in value of Freeholder's Present Interest therefore **£18,840**

2. Marriage Value

2.1. Sum of values of proposed interests

Value of New Lease to Leaseholder (Extended lease value)	£272,250	
Value of New Lease to Freeholder (Para 1.3 above)	<u>£191</u>	
		<u>£272,441</u>

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£19,031	
Plus Leaseholder's existing value (Existing lease value)	<u>£226,875</u>	
		<u>£245,906</u>

Marriage Value therefore

£26,535

50% of Marriage Value to Freeholder **£13,268**

3. Premium Payable

£32,107

Say £32,100

ADDRESS:

**30a Wetherby Mansions
Earl's Court Square
London
SW5**

Lease Expiry
Freehold value
Extended Lease Value @ 99% of freehold value
Ground Rent pa
Interest Rate to capitalise Ground Rent (%)
Interest Rate to calculate Freeholder's Reversion (%)
Marriage Value Split
Valuation Date

**25/12/2099
£330,000
£326,700
£250 with reviews
6.5
5
50/50
06/01/2006**

Leasehold Reform, Housing and Urban
Development Act 1993

1. Loss of Freeholder's Present Interest**1.1. Capitalisation of Ground Rent**

	Ground Rent	£250	
YP 29.00 years @ 6.50 %		<u>12.9075</u>	£3,227
Review to		£500	
YP 30.00 years @ 6.50 %		<u>13.0587</u>	
PV 29.00 years @ 6.50 %		<u>0.161</u>	£1,051
Review to		£1,000	
YP 35.00 years @ 6.50 %		<u>13.6870</u>	
PV 59.00 years @ 6.50 %		<u>0.024</u>	<u>£333</u>
			£4,611

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£330,000	
PV 94.00 years @ 5.00 %		<u>0.0102</u>	£3,363

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£330,000	
PV 184.00 years @ 5.00 %		<u>0.000126</u>	less £42

Loss in value of Freeholder's Present Interest therefore **£7,933**

2. Marriage Value

No marriage value as lease has over 80 years remaining **£0**

3. Premium Payable

£7,933

Say £7,900

ADDRESS:	Lease Expiry	25/12/2064
34 Wetherby Mansions	Existing Lease Value	£404,250
Earl's Court Square	Freehold value	£490,000
London	Extended Lease Value @ 99% of freehold value	£485,100
SW5	Ground Rent pa	£150 with reviews
	Interest Rate to capitalise Ground Rent (%)	6.5
	Interest Rate to calculate Freeholder's Reversion (%)	5
	Marriage Value Split	50/50
	Valuation Date	20/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest

1.1. Capitalisation of Ground Rent

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		12.9075	£1,936
Review to		£215	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£452
			£2,388

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£490,000	
PV 59.00 years @ 5.00 %		0.0562	£27,544

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£490,000	
PV 149.00 years @ 5.00 %		0.000696	less £341

Loss in value of Freeholder's Present Interest therefore £29,591

2. Marriage Value

2.1. Sum of values of proposed interests

Value of New Lease to Leaseholder (Extended lease value)	£485,100	
Value of New Lease to Freeholder (Para 1.3 above)	£341	
		£485,441

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£29,932	
Plus Leaseholder's existing value (Existing lease value)	£404,250	
		£434,182

Marriage Value therefore **£51,259**

50% of Marriage Value to Freeholder £25,629

3. Premium Payable

£55,221

Say £55,200

ADDRESS:

**36 Wetherby Mansions
Earl's Court Square
London
SW5**

Lease Expiry	25/12/2064
Existing Lease Value	£404,250
Freehold value	£490,000
Extended Lease Value @ 99% of freehold value	£485,100
Ground Rent pa	£150 with review
Interest Rate to capitalise Ground Rent (%)	6.5
Interest Rate to calculate Freeholder's Reversion (%)	5
Marriage Value Split	50/50
Valuation Date	06/01/2006

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest

1.1. Capitalisation of Ground Rent

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		12.9075	£1,936
Review to		£215	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£452
			£2,388

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£490,000	
PV 59.00 years @ 5.00 %		0.0562	£27,544

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£490,000	
PV 149.00 years @ 5.00 %		0.000696	less £341

Loss in value of Freeholder's Present Interest therefore £29,591

2. Marriage Value

2.1. Sum of values of proposed interests

Value of New Lease to Leaseholder (Extended lease value)	£485,100	
Value of New Lease to Freeholder (Para 1.3 above)	£341	
		£485,441

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£29,932	
Plus Leaseholder's existing value (Existing lease value)	£404,250	
		£434,182

Marriage Value therefore **£51,259**

50% of Marriage Value to Freeholder £25,629

3. Premium Payable

£55,221

Say £55,200

ADDRESS:

38/42 Wetherby Mansions
Earl's Court Square
London
SW5

Lease Expiry

25/12/2064

Existing Lease Value

£787,875

Freehold value Flat 38

£475,000

Freehold Value Flat 42

£480,000

Total Freehold Value

£955,000

Extended Lease Value @ 99% of freehold value

£945,450

Ground Rent pa

£150 with reviews

Interest Rate to capitalise Ground Rent (%)

6.5

Interest Rate to calculate Freeholder's Reversion (%)

5

Marriage Value Split

50/50

Valuation Date

20/12/2005

Leasehold Reform, Housing and Urban
 Development Act 1993

Existing Lease value @ 82.5%
 of Estimated Freehold Value

1. Loss of Freeholder's Present Interest**1.1. Capitalisation of Ground Rent**

	Ground Rent	£300	
YP 29.00 years @ 6.50 %		<u>12.9075</u>	£3,872

Review to		£430	
YP 30.00 years @ 6.50 %		<u>13.0587</u>	
PV 29.00 years @ 6.50 %		<u>0.161</u>	£904
			<u>£4,776</u>

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£955,000	
PV 59.00 years @ 5.00 %		<u>0.0562</u>	£53,683

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£955,000	
PV 149.00 years @ 5.00 %		<u>0.000696</u>	less £665

Loss in value of Freeholder's Present Interest therefore **£57,794**

2. Marriage Value**2.1. Sum of values of proposed interests**

Value of New Lease to Leaseholder (Extended lease value)	£945,450	
Value of New Lease to Freeholder (Para 1.3 above)	<u>£665</u>	£946,115

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£58,459	
Plus Leaseholder's existing value (Existing lease value)	<u>£787,875</u>	£846,334

Marriage Value therefore **£99,781**

50% of Marriage Value to Freeholder **£49,890**

3. Premium Payable£107,685**Say £107,700**

ADDRESS:

**38a Wetherby Mansions
Earl's Court Square
London
SW5**

Lease Expiry	25/12/2064
Existing Lease Value	£271,013
Freehold value	£328,500
Extended Lease Value @ 99% of freehold value	£325,215
Ground Rent pa	£150 with reviews
Interest Rate to capitalise Ground Rent (%)	6.5
Interest Rate to calculate Freeholder's Reversion (%)	5
Marriage Value Split	50/50
Valuation Date	21/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest**1.1. Capitalisation of Ground Rent**

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		12.9075	£1,936
Review to		£300	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£631
			£2,567

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£328,500	
PV 59.00 years @ 5.00 %		0.0562	£18,466

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£328,500	
PV 149.00 years @ 5.00 %		0.000696	less £229

Loss in value of Freeholder's Present Interest therefore **£20,804**

2. Marriage Value**2.1. Sum of values of proposed interests**

Value of New Lease to Leaseholder (Extended lease value)	£325,215	
Value of New Lease to Freeholder (Para 1.3 above)	£229	
		£325,444

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£21,033	
Plus Leaseholder's existing value (Existing lease value)	£271,013	
		£292,045

Marriage Value therefore

£33,399

50% of Marriage Value to Freeholder **£16,699**

3. Premium Payable

£37,503

Say £37,500

ADDRESS:

**42a Wetherby Mansions
Earl's Court Square
London
SW5**

Lease Expiry	25/12/2064
Existing Lease Value	£279,263
Freehold value	£338,500
Extended Lease Value @ 99% of freehold value	£335,115
Ground Rent pa	£150 with reviews
Interest Rate to capitalise Ground Rent (%)	6.5
Interest Rate to calculate Freeholder's Reversion (%)	5
Marriage Value Split	50/50
Valuation Date	20/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest**1.1. Capitalisation of Ground Rent**

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		12.9075	£1,936
Review to		£300	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£631
			£2,567

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£338,500	
PV 59.00 years @ 5.00 %		0.0562	£19,028

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£338,500	
PV 149.00 years @ 5.00 %		0.000696	less £236

Loss in value of Freeholder's Present Interest therefore **£21,359**

2. Marriage Value**2.1. Sum of values of proposed interests**

Value of New Lease to Leaseholder (Extended lease value)	£335,115	
Value of New Lease to Freeholder (Para 1.3 above)	£236	
		£335,351

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£21,595	
Plus Leaseholder's existing value (Existing lease value)	£279,263	
		£300,857

Marriage Value therefore

£34,493

50% of Marriage Value to Freeholder

£17,247

3. Premium Payable

£38,606

Say £38,600

ADDRESS:

**44 Wetherby Mansions
Earl's Court Square
London
SW5**

Lease Expiry	25/12/2064
Existing Lease Value	£412,500
Freehold value	£500,000
Extended Lease Value @ 99% of freehold value	£495,000
Ground Rent pa	£150 with reviews
Interest Rate to capitalise Ground Rent (%)	6.5
Interest Rate to calculate Freeholder's Reversion (%)	5
Marriage Value Split	50/50
Valuation Date	20/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest**1.1. Capitalisation of Ground Rent**

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		12.9075	£1,936
Review to		£215	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£452
			£2,388

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£500,000	
PV 59.00 years @ 5.00 %		0.0562	£28,106

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£500,000	
PV 149.00 years @ 5.00 %		0.000696	less £348

Loss in value of Freeholder's Present Interest therefore £30,146

2. Marriage Value**2.1. Sum of values of proposed interests**

Value of New Lease to Leaseholder (Extended lease value)	£495,000	
Value of New Lease to Freeholder (Para 1.3 above)	£348	
		£495,348

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£30,494	
Plus Leaseholder's existing value (Existing lease value)	£412,500	
		£442,994

Marriage Value therefore

£52,354

50% of Marriage Value to Freeholder £26,177

3. Premium Payable

£56,323

Say £56,300

ADDRESS:	Lease Expiry	25/12/2064
44a Wetherby Mansions	Existing Lease Value	£330,000
Earl's Court Square	Freehold value	£400,000
London	Extended Lease Value @ 99% of freehold value	£396,000
SW5	Ground Rent pa	£150 with reviews
	Interest Rate to capitalise Ground Rent (%)	6.5
	Interest Rate to calculate Freeholder's Reversion (%)	5
	Marriage Value Split	50/50
	Valuation Date	20/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest

1.1. Capitalisation of Ground Rent

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		<u>12.9075</u>	£1,936
Review to		£215	
YP 30.00 years @ 6.50 %		<u>13.0587</u>	
PV 29.00 years @ 6.50 %		<u>0.161</u>	<u>£452</u>
			£2,388

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£400,000	
PV 59.00 years @ 5.00 %		<u>0.0562</u>	£22,485

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£400,000	
PV 149.00 years @ 5.00 %		<u>0.000696</u>	less £279

Loss in value of Freeholder's Present Interest therefore **£24,595**

2. Marriage Value

2.1. Sum of values of proposed interests

Value of New Lease to Leaseholder (Extended lease value)	£396,000	
Value of New Lease to Freeholder (Para 1.3 above)	<u>£279</u>	
		<u>£396,279</u>

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£24,873	
Plus Leaseholder's existing value (Existing lease value)	<u>£330,000</u>	
		<u>£354,873</u>

Marriage Value therefore **£41,405**

50% of Marriage Value to Freeholder **£20,703**

3. Premium Payable

£45,297

Say £45,300

ADDRESS:
46 Wetherby Mansions
Earl's Court Square
London
SW5

Lease Expiry
 Freehold value
 Extended Lease Value @ 99% of freehold value
 Ground Rent pa
 Interest Rate to capitalise Ground Rent (%)
 Interest Rate to calculate Freeholder's Reversion (%)
 Valuation Date

25/12/2099
 £890,000
 £881,100
 £150 with reviews
 6.5
 5
 06/01/2006

Leasehold Reform, Housing and Urban
 Development Act 1993

1. Loss of Freeholder's Present Interest

1.1. Capitalisation of Ground Rent

	Ground Rent	£150	
YP 2.00 years @ 6.50 %	<u>1.8206</u>		£273
Review to	£300		
YP 33.00 years @ 6.50 %	<u>13.4591</u>		
PV 2.00 years @ 6.50 %	<u>0.882</u>		£3,560
Review to	£600		
YP 33.00 years @ 6.50 %	<u>13.4591</u>		
PV 35.00 years @ 6.50 %	<u>0.110</u>		£891
Review to	£1,200		
YP 26.00 years @ 6.50 %	<u>12.3924</u>		
PV 68.00 years @ 6.50 %	<u>0.014</u>		£205
			£4,929

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£890,000	
PV 94.00 years @ 5.00 %	<u>0.0102</u>		£9,070

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£890,000	
PV 184.00 years @ 5.00 %	<u>0.000126</u>	less	£112

Loss in value of Freeholder's Present Interest therefore **£13,887**

2. Marriage Value

No marriage value as lease has over 80 years remaining **£0**

3. Premium Payable

£13,887

Say £13,900

ADDRESS:

**48 Wetherby Mansions
Earl's Court Square
London
SW5**

Lease Expiry

25/12/2064

Existing Lease Value

£352,069

Freehold value

£426,750

Extended Lease Value @ 99% of freehold value

£422,483

Ground Rent pa

£150 with reviews

Interest Rate to capitalise Ground Rent (%)

6.5

Interest Rate to calculate Freeholder's Reversion (%)

5

Marriage Value Split

50/50

Valuation Date

20/12/2005

Leasehold Reform, Housing and Urban
Development Act 1993

Existing Lease value @ 82.5%
of Estimated Freehold Value

1. Loss of Freeholder's Present Interest**1.1. Capitalisation of Ground Rent**

	Ground Rent	£150	
YP 29.00 years @ 6.50 %		12.9075	£1,936
Review to		£215	
YP 30.00 years @ 6.50 %		13.0587	
PV 29.00 years @ 6.50 %		0.161	£452
			£2,388

1.2. Freeholder's Loss of Reversion

	Estimated Freehold Value	£426,750	
PV 59.00 years @ 5.00 %		0.0562	£23,989

1.3. Less value of Freeholder's Proposed Interest

	Estimated Freehold Value	£426,750	
PV 149.00 years @ 5.00 %		0.000696	less £297

Loss in value of Freeholder's Present Interest therefore £26,080

2. Marriage Value**2.1. Sum of values of proposed interests**

Value of New Lease to Leaseholder (Extended lease value)	£422,483	
Value of New Lease to Freeholder (Para 1.3 above)	£297	
		£422,780

Less

2.2. Sum of values of present interests

Freeholder's existing value (Sum of paras 1.1 & 1.2 above)	£26,377	
Plus Leaseholder's existing value (Existing lease value)	£352,069	
		£378,446

Marriage Value therefore

£44,334

50% of Marriage Value to Freeholder £22,167

3. Premium Payable

£48,247

Say £48,200