

**LEASEHOLD VALUATION TRIBUNAL FOR  
EASTERN RENT ASSESSMENT PANEL**

**File Ref No: CAM/00ME/OCR/2004/0001, 03 & 04**

**Leasehold Valuation Tribunal:      Decision**

**Leasehold Reform, Housing and Urban Development Act 1993 ("the Act")**

**The Tribunal Members were:**

Mrs Helen Bowers    BSc Econ MRICS

Mrs Sarah Redmond BSc Econ MRICS

Mr J J Sims LLM MPhil

**The Premises:**

24, Collier Close, Maidenhead, Berkshire, SL6 7LD,

37, Collier Close, Maidenhead, Berkshire, SL6 7LD,

43, Collier Close, Maidenhead, Berkshire, SL6 7LD

**The Applicants:**

24, Collier Close

Kevin John Cook

37, Collier Close

Susan Mary Webb

43, Collier Close

Arthur William Brian Pearce and Elizabeth May Pearce

**The Respondent:**

E & S Property trading Company Ltd.

**Date of Inspection and Hearing:**    Tuesday 20<sup>th</sup> April 2004

**Appearances:**

**Expert Witnesses – Valuers**

Mr David T Stone FRICS for the Applicants

Mr Peter M Miles FRICS for the Respondent

<b>Premises:</b>	<b>Initial Notice:</b>	<b>Counter-notice:</b>	<b>Application:</b>
24, Collier Close	31.10.03	05.01.04	17.02.04
37, Collier Close	04.08.03	03.10.03	17.02.04
43, Collier Close	25.04.03	23.06.03	17.12.03

## **1. Introduction**

- 1.1 These matters relate to three maisonettes in Collier Close Maidenhead and applications pursuant to section 42 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act").
- 1.2 Applications were made on the 17<sup>th</sup> December 2003 and 17<sup>th</sup> February 2004 to the Tribunal to determine the terms of acquisition that were in dispute between the parties.

## **2. The Law**

- 2.1 Chapter II of the Act sets out the provisions for the grant of a new lease and in particular Section 56 provides for a new lease of a flat to be granted for a peppercorn and for a term expiring 90 years after the expiry of the current lease. Schedule 13 of the Act sets out the provisions for the calculation of the premium that is payable in respect of the grant of a new lease.
- 2.2 In these matters, Section 60 of the Act needs to be considered in relation to costs incurred in connection with a new lease and that are payable by the tenant.

## **3. The Premises**

- 3.1 Shortly prior to the hearing the Tribunal had the opportunity to carry out an inspection of all three properties. Mr Stone, the representative from the applicants accompanied the Tribunal.
- 3.2 Each property is a purpose built maisonette, dating from the late 1950's and of brick and tiled construction. Whilst each maisonette is of a very similar layout, their particular accommodation is detailed below.
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heating and double-glazing and the bathroom and kitchen have been refurbished. There are gardens to the front and rear of the premises and there is a garage situated in a block of terraced garages at the rear of this block.

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Value of a Garage: £2,500

During the hearing and after a brief adjournment the parties confirmed that they had reached agreement on the value of the Proposed Long Lease Value and confirmed the following figures:

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6.1 Given that the above matters had been agreed the matters that were still outstanding and requiring determination by the tribunal were; the Existing Short Lease Value, the Premium for each lease extension and the Legal and Valuation Fees.

6.2 Mr Stone, acting for the applicants, suggested that at the relevant valuation dates the Existing Lease Value and the premium for each maisonette were as follows:

	Existing Lease Value	Premium
24, Collier Close	£118,250	£13,970
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6.3 With regards to the fees that are recoverable under Section 60 of the Act, Mr Stone is of the opinion that the valuation fee should be limited to £250 plus VAT for each maisonette.

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	Existing Lease Value	Premium
24, Collier Close	£100,000	£23,690
37, Collier Close	£97,500	£23,670
43, Collier Close	£100,000	£22,380

6.5 As to the valuation fees, Mr Miles is seeking £500 plus VAT for each maisonette.

## **7 Hearing**

- 7.1 Both valuers had supplied proofs of their evidence to the tribunal before the hearing and we took these statements as read. We invited them to tell us if they wished to add to their statements and to ask questions of one another. We asked some questions as well. We have summarised each statement followed by a note of the additional points that each valuer made at the hearing, whether as part of an additional statement or in answer to questions.
- 7.2 Mr Stone's Evidence  
Mr Stone presented his case with reference to data extracted from previous LVT decisions and provided us some guidance as to why we should adopt figures agreed from past decisions. A graph was produced that showed the decisions from previous cases and illustrating the relationship between the length of the unexpired term and the percentage "uplift" between a long lease value and the short lease value. From the data presented it was suggested that the uplifts varied from 17% for a period of 55 years unexpired to 24% on a collective enfranchisement case with 52 years unexpired.
- 7.3 Reference was also made to six cases with which Mr Stone had personal knowledge and showed a range of 14.33% uplift for 55.5 years unexpired to 31% uplift for 42.5 years unexpired. From this data Mr Stone estimated that the percentage uplift for leases having 54.5 to 53.9 years remaining was between 20-22%.
- 7.4 Turning to the value of the long lease interest, Mr Stone used valuation evidence from sales transactions in Collier Close and Moor Lane and particular from sales evidence in 2003. The relevant sales evidence includes 57 Moor Lane, which sold for £137,500 in July 2002; 41 Collier Close, where a sale was agreed in August 2003 for £145,000; 55 Moor Lane, sold in October 2003 for £150,000 and 26 Collier Close sold in July 2003 for £149,950. From this sales information Mr Stone found it was necessary to make adjustments to reflect improvements that had been carried out to the properties and for the extra amenity of a garage included in the demised property.
- 7.5 Having established the long lease values from the traditional methods of valuation, Mr Stone then adopted the uplift figures he had analysed from earlier cases and adopting a 22% uplift for 24, Collier Close; 21% uplift for 37, Collier Close and 20.1% uplift for 43, Collier Close. Accordingly the premium's calculated for the three subject properties were £13,970 for 24, Collier Close; £13,200 for 37, Collier Close and £13,240 for 43, Collier Close.
- 7.6 Reference was made to the two pieces of transactional data for 42 and 23 Collier Close, which were both sold subject to a short lease interest. We were informed that the sale of 42 Collier Close, for £90,000 in May 2002 was not an arms length transaction and was below the market value of the property. It was explained that the property was in a very poor condition and there was an element of a forced sale. Further, that the price of £96,500 paid in May 2002 for the short lease for 23, Collier Close was subject to an option to purchase of

£1,500 and the property was not fully marketed and no agent's fees were payable. Again it is understood that the property was in a very poor condition. In Mr Stone's opinion the property would be valued at £100,000 on a gross basis. Mr Stone then went on to compare this transaction with the sale of 6 Collier Close at a similar time, but with a long lease interest. As 6 Collier Close achieved £118,500 this supported Mr Stone's opinion that the uplift between long and short leasehold interests would be in the region of 18.5%.

- 7.8 In the opinion of Mr Stone the use the Land Registry indices is not useful as the data is full of anomalies and Mr Stone presented evidence that showed the data presented in the index did not accord to his own knowledge of the market.
- 7.9 Turning to the issue of the valuation fees, it was the opinion of Mr Stone that a valuation fee of £500 plus VAT was excessive as there had been no inspection of the premises and the valuation had been a desk top exercise. We were referred to two LVT decisions where a valuation fee of £50 and £180 plus VAT had been determined. In addition details were provided of several agreements made between Mr Stone on several cases with figures for the valuation fee ranging from £55 to £375.
- 7.10 Mr Miles' Evidence  
In dealing with the short lease value Mr Miles makes reference to the sales of 42, Collier Close for £90,000 in May 2002 and 23, Collier Close selling for £96,500 in May 2002. Number 42 Collier Close had been marketed for two months prior to the sale. An average is taken of these two figures, whilst Mr Miles is of the opinion that there would be little increase in the value of a lease with only 54 years remaining between the period of May 2002 and April 2003 (the valuation date of 43, Collier Close), he has made a token increase of 5% for the period producing a value of £97,500, to which should be added £2,500 to reflect the value of the garage. This would give a total value of £100,000 for the unimproved existing short lease for 43, Collier Close.
- 7.11 Regarding 24, Collier Close, Mr Miles has adopted a figure of £100,000 at the valuation date, the same as 43, Collier Close, on the assumption that the later valuation date is balanced by the fact that the length of the lease has decreased a further six months. A similar approach has been used to value the existing short lease for 37, Collier Close, but with a deduction of £2,500 as this property does not have a garage.
- 7.12 As to the premiums to be applied, it is the opinion of Mr Miles that the figure of £23,690 is appropriate for 24, Collier Close, £23,670 for 37, Collier and £22,380 for 43, Collier Close.
- 7.13 When considering the increase in values between October 2002 and March 2003 to be applied to the long leasehold valuations, Mr Miles provided us with details from the Land Registry, which indicated that values had risen by 14.81% in the period. Also for the first quarter of 2003 to the last quarter in 2003, it was shown that prices of flats and maisonettes in the area had risen by 1.21%.

- 7.14 Mr Miles was of the opinion that instead of using graphs to analysis the decisions of previous LVT decisions, it was preferable to look at each case on it's own merits and to use primary evidence.
- 7.15 With regards to the valuation fees, Mr Miles informed the Tribunal that his firm's standard fee which did not include any preparation work for the presentation of this case, is 2.5% of the premium or £500 per property, whichever is greater. In this instance a fee of £500 plus VAT would apply. In support of these figures Mr Miles produced details of an LVT decision where a fee of £385 plus VAT was determined. Also copy invoices were produced to demonstrate a range of valuation fees from £350 to £782.75 plus VAT.

## **8. Decision**

- 8.1 We are in the unusual position of having two pieces of evidence in front of us in respect of the short leasehold interest. It is understood that the circumstances of these two transactions are complex and may not represent a true open market transaction and will certainly not represent a "No Act" world. However, the evidence cannot be dismissed completely.
- 8.2 We accept the comments made by Mr Stone that 42, Collier Close was in a very poor condition and there was some element of a forced sale. We prefer the evidence that 23, Collier Close and consider that some adjustments need to be made to the sale price. The Land Registry details state that the sale price in May 2002 was £96,500, to this we add £1,500 to reflect an option to purchase that was entered into prior to the sale and a further £1,000 to take account of the apparently poor condition of the property. If these two factors are taken into account then it is considered that the value of the short leasehold interest in May 2002 would have been £99,000. We agree with Mr Miles and Mr Stone that in this case no further adjustment is needed in respect of the "no Act" requirement
- 8.3 Mr Miles was of the opinion that there would have been an uplift in values in the region of 5% between May 2002 and April 2003, the first valuation date. However, Mr Miles provided evidence from the Land Registry index that prices had risen by 14.81% from the last quarter of 2002 to the first quarter of 2003. We appreciate the point made by Mr Miles that a depreciating asset with less than 55 years remaining would be less desirable and therefore any increase would be below that experienced in the general market. However, we are of the opinion that the 5% increase that Mr Miles proposed is insufficient, given the significant increases in the market. We are of the opinion that given our own knowledge of the market and other house price indices that a 10% increase in value from May 2002 to April 2003 would be more appropriate. Adopting this approach we determine that the value of the short leasehold interest in April 2003 would be £109,000. To this figure needs to be added £2,500 to reflect the value of the garage included in 43 Collier Close.
- 8.4 Comparing the short leasehold value of £111,500, for 43, Collier Close in April 2003 with the long leasehold value agreed between the parties of

£140,000, this would provide a relativity between them, of approximately 80% and this would equate to an uplift of just over 25%. Whilst we are less inclined to use a comparison of analysed data from previous LVT decisions, we are satisfied that by using transactional evidence this is not out of line with previous decided cases.

- 8.5 Applying the short leasehold value of £111,500 to the other factors that have been agreed between the parties, we determine that the premium payable for 43, Collier Close is £15,370. The details of the valuation are included in Appendix 1 to these reasons.
- 8.6 Next we consider 24, Collier Close. In this instance the valuation date is 31<sup>st</sup> October 2003, a further six months on from the valuation date adopted for 43, Collier Close. Rather than the 10% increase in residential property prices we have adopted a 13% increase from the base value of £99,000. This results in a value for the short leasehold interest at 31<sup>st</sup> October 2003 of £111,850 to which needs to be added £2,500 for the value of the garage, producing a value of £114,370, say £114,500. Placing the short leasehold value of £114,500 in the equation produces a premium for 24, Collier Close of £16,200. The details of the valuation are shown in Appendix 2.
- 8.7 Finally, 37, Collier Close which has a valuation date of 4<sup>th</sup> August 2003. Using the base figure of £99,000 and applying a 11.5% increase to reflect price rises in the period from May 2002 to August 2003 produces a value of £110,500 for this property. As there is no garage with this maisonette, there is no further adjustment to make. From the short leasehold value of £110,500 this produces a premium of £16,525. Again the valuation is set out in Appendix 3.
- 8.8 Now we turn to the issue of the valuation fees that are payable under Section 60 of the Act. We are of the opinion that the copy invoices supplied by Mr Miles in some instances includes work carried out after a Section 48 application to the LVT.
- 8.9 There is a degree of duplication with these three cases and that once the first valuation had been carried out, then the remaining valuations are in a similar format and benefit from the initial research that would be required. In addition these valuations were not carried out with the benefit of an inspection and are accordingly only desktop valuations. In these circumstances we consider that a valuation fee of £250 plus VAT for each property is appropriate and we therefore determine that figure accordingly.

## **9. Determination**

- 9.1 In summary the premiums that we have determined for each property are listed below:

24, Collier Close	£16,200
37, Collier Close	£16,525
43, Collier Close	£15,370



- 9.2 In addition to the above premiums, the valuation fees for each property are determined at £250 plus VAT.

A handwritten signature in black ink, appearing to read 'Helen C Bowers', written in a cursive style.

Helen C Bowers  
Chairman

Date 3/6/04 .

**VALUATION OF PREMIUM FOR NEW LEASE  
43 COLLIER CLOSE, MAIDENHEAD**

**APPENDIX 1**

Maisonette with garage:

Date of valuation is date of Notice - 25/4/03

Lease of 99 years from 29/9/1958

Period unexpired - 54.43 years

Yield - agreed at 8% single rate

Long Lease value - agreed at £140,000

Short Lease value - determined at £111,500

<b>Diminution in value of Freeholder's interest</b>	£	£	£
Value before extension of lease:			
Ground rent receivable	9.00		
YP 54.43 years @ 8%	12.3103	111	
Reversion to freehold in possession excluding tenants improvements	140,000		
deferred 54.43 years @ 8%	0.015172	2,124	
		2,235	
Less Value after extension of lease	nil		
<b>Diminution in value of Freeholder's interest</b>			2,235
<b>Calculation of Marriage Value</b>			
Value of proposed interests:			
Value of freehold interest after extension of lease	nil		
Value of leasehold interest after extension of lease	140,000	140,000	
Less value of existing interests:			
Value of freehold interest before extension of lease	2,235		
Value of leasehold interest before extension of lease	111,500	113,735	
Marriage value		26,265	
50% marriage value attributed to landlord			13,133
			15,368
<b>PREMIUM PAYABLE</b>	say	<b>£15,370</b>	

**VALUATION OF PREMIUM FOR NEW LEASE  
24 COLLIER CLOSE, MAIDENHEAD**

**APPENDIX 2**

Maisonette with garage:

Date of valuation is date of Notice - 31/10/03

Lease of 99 years from 29/9/1958

Period unexpired - 53.9 years

Yield - agreed at 8% single rate

Long Lease value - agreed at £144,500

Short Lease value - determined at £114,500

**Diminution in value of Freeholder's interest**

	£	£	£
Value before extension of lease:			
Ground rent receivable	8.50		
YP 53.9 years @ 8%	12.3025	105	
Reversion to freehold in possession excluding tenants improvements	144,500		
deferred 53.9 years @ 8%	<u>0.015797</u>	<u>2,283</u>	
		2,388	
Less Value after extension of lease	nil		

**Diminution in value of Freeholder's interest**

2,388

**Calculation of Marriage Value**

Value of proposed interests:

Value of freehold interest after extension of lease	nil	
Value of leasehold interest after extension of lease	144,500	
		144,500

Less value of existing interests:

Value of freehold interest before extension of lease	2,388	
Value of leasehold interest before extension of lease	<u>114,500</u>	<u>116,888</u>
Marriage value		<u>27,612</u>

50% marriage value attributed to landlord

13,806  
16,194

**PREMIUM PAYABLE**

say **£16,200**

**VALUATION OF PREMIUM FOR NEW LEASE  
37 COLLIER CLOSE, MAIDENHEAD**

**APPENDIX 3**

Maisonette without garage:

Date of valuation is date of Notice - 4/8/03

Lease of 99 years from 29/9/1958

Period unexpired - 54.15 years

Yield - agreed at 8% single rate

Long Lease value - agreed at £141,250

Short Lease value - determined at £110,500

**Diminution in value of Freeholder's interest**

Value before extension of lease:

Ground rent receivable

£                      £                      £

9.00

YP 54.15 years @ 8%

12.3062                      111

Reversion to freehold in possession

excluding tenants improvements

141,250

deferred 54.15 years @ 8%

0.015497                      2,189

2,300

Less Value after extension of lease

nil

**Diminution in value of Freeholder's interest**

2,300

**Calculation of Marriage Value**

Value of proposed interests:

Value of freehold interest after extension of lease

nil

Value of leasehold interest after extension of lease

141,250

141,250

Less value of existing interests:

Value of freehold interest before extension of lease

2,300

Value of leasehold interest before extension of lease

110,500

112,800

Marriage value

28,450

50% marriage value attributed to landlord

14,225

16,525

**PREMIUM PAYABLE**

say

**£16,525**

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6.5 As to the valuation fees, Mr Miles is seeking £500 plus VAT for each maisonette.



## **7 Hearing**

7.1 Both valuers had supplied proofs of their evidence to the tribunal before the hearing and we took these statements as read. We invited them to tell us if they wished to add to their statements and to ask questions of one another. We asked some questions as well. We have summarised each statement followed by a note of the additional points that each valuer made at the hearing, whether as part of an additional statement or in answer to questions.

### **7.2 Mr Stone's Evidence**

Mr Stone presented his case with reference to data extracted from previous LVT decisions and provided us some guidance as to why we should adopt figures agreed from past decisions. A graph was produced that showed the decisions from previous cases and illustrating the relationship between the length of the unexpired term and the percentage "uplift" between a long lease value and the short lease value. From the data presented it was suggested that the uplifts varied from 17% for a period of 55 years unexpired to 24% on a collective enfranchisement case with 52 years unexpired.

7.3 Reference was also made to six cases with which Mr Stone had personal knowledge and showed a range of 14.33% uplift for 55.5 years unexpired to 31% uplift for 42.5 years unexpired. From this data Mr Stone estimated that the percentage uplift for leases having 54.5 to 53.9 years remaining was between 20-22%.

7.4 Turning to the value of the long lease interest, Mr Stone used valuation evidence from sales transactions in Collier Close and Moor Lane and particular from sales evidence in 2003. The relevant sales evidence includes 57 Moor Lane, which sold for £137,500 in July 2002; 41 Collier Close, where a sale was agreed in August 2003 for £145,000; 55 Moor Lane, sold in October 2003 for £150,000 and 26 Collier Close sold in July 2003 for £149,950. From this sales information Mr Stone found it was necessary to make adjustments to reflect improvements that had been carried out to the properties and for the extra amenity of a garage included in the demised property.

7.5 Having established the long lease values from the traditional methods of valuation, Mr Stone then adopted the uplift figures he had analysed from earlier cases and adopting a 22% uplift for 24, Collier Close; 21% uplift for 37, Collier Close and 20.1% uplift for 43, Collier Close. Accordingly the premium's calculated for the three subject properties were £13,970 for 24, Collier Close; £13,200 for 37, Collier Close and £13,240 for 43, Collier Close.

7.6 Reference was made to the two pieces of transactional data for 42 and 23 Collier Close, which were both sold subject to a short lease interest. We were informed that the sale of 42 Collier Close, for £90,000 in May 2002 was not an arms length transaction and was below the market value of the property. It was explained that the property was in a very poor condition and there was an element of a forced sale. Further, that the price of £96,500 paid in May 2002 for the short lease for 23, Collier Close was subject to an option to purchase of

£1,500 and the property was not fully marketed and no agent's fees were payable. Again it is understood that the property was in a very poor condition. In Mr Stone's opinion the property would be valued at £100,000 on a gross basis. Mr Stone then went on to compare this transaction with the sale of 6 Collier Close at a similar time, but with a long lease interest. As 6 Collier Close achieved £118,500 this supported Mr Stone's opinion that the uplift between long and short leasehold interests would be in the region of 18.5%.

7.8 In the opinion of Mr Stone the use the Land Registry indices is not useful as the data is full of anomalies and Mr Stone presented evidence that showed the data presented in the index did not accord to his own knowledge of the market.

7.9 Turning to the issue of the valuation fees, it was the opinion of Mr Stone that a valuation fee of £500 plus VAT was excessive as there had been no inspection of the premises and the valuation had been a desk top exercise. We were referred to two LVT decisions where a valuation fee of £50 and £180 plus VAT had been determined. In addition details were provided of several agreements made between Mr Stone on several cases with figures for the valuation fee ranging from £55 to £375.

7.10 Mr Miles' Evidence

In dealing with the short lease value Mr Miles makes reference to the sales of 42, Collier Close for £90,000 in May 2002 and 23, Collier Close selling for £96,500 in May 2002. Number 42 Collier Close had been marketed for two months prior to the sale. An average is taken of these two figures, whilst Mr Miles is of the opinion that there would be little increase in the value of a lease with only 54 years remaining between the period of May 2002 and April 2003 (the valuation date of 43, Collier Close), he has made a token increase of 5% for the period producing a value of £97,500, to which should be added £2,500 to reflect the value of the garage. This would give a total value of £100,000 for the unimproved existing short lease for 43, Collier Close.

7.11 Regarding 24, Collier Close, Mr Miles has adopted a figure of £100,000 at the valuation date, the same as 43, Collier Close, on the assumption that the later valuation date is balanced by the fact that the length of the lease has decreased a further six months. A similar approach has been used to value the existing short lease for 37, Collier Close, but with a deduction of £2,500 as this property does not have a garage.

7.12 As to the premiums to be applied, it is the opinion of Mr Miles that the figure of £23,690 is appropriate for 24, Collier Close, £23,670 for 37, Collier and £22,380 for 43, Collier Close.

7.13 When considering the increase in values between October 2002 and March 2003 to be applied to the long leasehold valuations, Mr Miles provided us with details from the Land Registry, which indicated that values had risen by 14.81% in the period. Also for the first quarter of 2003 to the last quarter in 2003, it was shown that prices of flats and maisonettes in the area had risen by 1.21%.

- 7.14 Mr Miles was of the opinion that instead of using graphs to analysis the decisions of previous LVT decisions, it was preferable to look at each case on it's own merits and to use primary evidence.
- 7.15 With regards to the valuation fees, Mr Miles informed the Tribunal that his firm's standard fee which did not include any preparation work for the presentation of this case, is 2.5% of the premium or £500 per property, whichever is greater. In this instance a fee of £500 plus VAT would apply. In support of these figures Mr Miles produced details of an LVT decision where a fee of £385 plus VAT was determined. Also copy invoices were produced to demonstrate a range of valuation fees from £350 to £782.75 plus VAT.

## **8. Decision**

- 8.1 We are in the unusual position of having two pieces of evidence in front of us in respect of the short leasehold interest. It is understood that the circumstances of these two transactions are complex and may not represent a true open market transaction and will certainly not represent a "No Act" world. However, the evidence cannot be dismissed completely.
- 8.2 We accept the comments made by Mr Stone that 42, Collier Close was in a very poor condition and there was some element of a forced sale. We prefer the evidence that 23, Collier Close and consider that some adjustments need to be made to the sale price. The Land Registry details state that the sale price in May 2002 was £96,500, to this we add £1,500 to reflect an option to purchase that was entered into prior to the sale and a further £1,000 to take account of the apparently poor condition of the property. If these two factors are taken into account then it is considered that the value of the short leasehold interest in May 2002 would have been £99,000. We agree with Mr Miles and Mr Stone that in this case no further adjustment is needed in respect of the "no Act" requirement
- 8.3 Mr Miles was of the opinion that there would have been an uplift in values in the region of 5% between May 2002 and April 2003, the first valuation date. However, Mr Miles provided evidence from the Land Registry index that prices had risen by 14.81% from the last quarter of 2002 to the first quarter of 2003. We appreciate the point made by Mr Miles that a depreciating asset with less than 55 years remaining would be less desirable and therefore any increase would be below that experienced in the general market. However, we are of the opinion that the 5% increase that Mr Miles proposed is insufficient, given the significant increases in the market. We are of the opinion that given our own knowledge of the market and other house price indices that a 10% increase in value from May 2002 to April 2003 would be more appropriate. Adopting this approach we determine that the value of the short leasehold interest in April 2003 would be £109,000. To this figure needs to be added £2,500 to reflect the value of the garage included in 43 Collier Close.
- 8.4 Comparing the short leasehold value of £111,500, for 43, Collier Close in April 2003 with the long leasehold value agreed between the parties of

£140,000, this would provide a relativity between them, of approximately 80% and this would equate to an uplift of just over 25%. Whilst we are less inclined to use a comparison of analysed data from previous LVT decisions, we are satisfied that by using transactional evidence this is not out of line with previous decided cases.

- 8.5 Applying the short leasehold value of £111,500 to the other factors that have been agreed between the parties, we determine that the premium payable for 43, Collier Close is £15,370. The details of the valuation are included in Appendix 1 to these reasons.
- 8.6 Next we consider 24, Collier Close. In this instance the valuation date is 31<sup>st</sup> October 2003, a further six months on from the valuation date adopted for 43, Collier Close. Rather than the 10% increase in residential property prices we have adopted a 13% increase from the base value of £99,000. This results in a value for the short leasehold interest at 31<sup>st</sup> October 2003 of £111,850 to which needs to be added £2,500 for the value of the garage, producing a value of £114,370, say £114,500. Placing the short leasehold value of £114,500 in the equation produces a premium for 24, Collier Close of £16,200. The details of the valuation are shown in Appendix 2.
- 8.7 Finally, 37, Collier Close which has a valuation date of 4<sup>th</sup> August 2003. Using the base figure of £99,000 and applying a 11.5% increase to reflect price rises in the period from May 2002 to August 2003 produces a value of £110,500 for this property. As there is no garage with this maisonette, there is no further adjustment to make. From the short leasehold value of £110,500 this produces a premium of £16,525. Again the valuation is set out in Appendix 3.
- 8.8 Now we turn to the issue of the valuation fees that are payable under Section 60 of the Act. We are of the opinion that the copy invoices supplied by Mr Miles in some instances includes work carried out after a Section 48 application to the LVT.
- 8.9 There is a degree of duplication with these three cases and that once the first valuation had been carried out, then the remaining valuations are in a similar format and benefit from the initial research that would be required. In addition these valuations were not carried out with the benefit of an inspection and are accordingly only desktop valuations. In these circumstances we consider that a valuation fee of £250 plus VAT for each property is appropriate and we therefore determine that figure accordingly.

## **9. Determination**

- 9.1 In summary the premiums that we have determined for each property are listed below:

24, Collier Close	£16,200
37, Collier Close	£16,525
43, Collier Close	£15,370

- 9.2 In addition to the above premiums, the valuation fees for each property are determined at £250 plus VAT.

A handwritten signature in black ink, appearing to read 'Helen C Bowers', written in a cursive style.

Helen C Bowers  
Chairman

Date 3/6/04 .

**VALUATION OF PREMIUM FOR NEW LEASE  
43 COLLIER CLOSE, MAIDENHEAD**

**APPENDIX 1**

Maisonette with garage:

Date of valuation is date of Notice - 25/4/03

Lease of 99 years from 29/9/1958

Period unexpired - 54.43 years

Yield - agreed at 8% single rate

Long Lease value - agreed at £140,000

Short Lease value - determined at £111,500

	£	£	£
<b>Diminution in value of Freeholder's interest</b>			
Value before extension of lease:			
Ground rent receivable	9.00		
YP 54.43 years @ 8%	12.3103	111	
Reversion to freehold in possession			
excluding tenants improvements	140,000		
deferred 54.43 years @ 8%	0.015172	2,124	
		2,235	
Less Value after extension of lease	nil		
<b>Diminution in value of Freeholder's interest</b>			2,235
<b>Calculation of Marriage Value</b>			
Value of proposed interests:			
Value of freehold interest after extension of lease	nil		
Value of leasehold interest after extension of lease	140,000	140,000	
Less value of existing interests:			
Value of freehold interest before extension of lease	2,235		
Value of leasehold interest before extension of lease	111,500	113,735	
Marriage value		26,265	
50% marriage value attributed to landlord			13,133
			15,368
<b>PREMIUM PAYABLE</b>	say		<b><u>£15,370</u></b>

**VALUATION OF PREMIUM FOR NEW LEASE  
24 COLLIER CLOSE, MAIDENHEAD**

**APPENDIX 2**

Maisonette with garage:

Date of valuation is date of Notice - 31/10/03

Lease of 99 years from 29/9/1958

Period unexpired - 53.9 years

Yield - agreed at 8% single rate

Long Lease value - agreed at £144,500

Short Lease value - determined at £114,500

<b>Diminution in value of Freeholder's interest</b>	£	£	£
Value before extension of lease:			
Ground rent receivable	8.50		
YP 53.9 years @ 8%	12.3025	105	
Reversion to freehold in possession excluding tenants improvements	144,500		
deferred 53.9 years @ 8%	<u>0.015797</u>	<u>2,283</u>	
		2,388	
Less Value after extension of lease	nil		
<b>Diminution in value of Freeholder's interest</b>			2,388
<b>Calculation of Marriage Value</b>			
Value of proposed interests:			
Value of freehold interest after extension of lease	nil		
Value of leasehold interest after extension of lease	144,500		
		144,500	
Less value of existing interests:			
Value of freehold interest before extension of lease	2,388		
Value of leasehold interest before extension of lease	<u>114,500</u>	<u>116,888</u>	
Marriage value		<u>27,612</u>	
50% marriage value attributed to landlord			<u>13,806</u>
			16,194
<b>PREMIUM PAYABLE</b>	say	<u><b>£16,200</b></u>	

**VALUATION OF PREMIUM FOR NEW LEASE  
37 COLLIER CLOSE, MAIDENHEAD**

**APPENDIX 3**

Maisonette without garage:

Date of valuation is date of Notice - 4/8/03

Lease of 99 years from 29/9/1958

Period unexpired - 54.15 years

Yield - agreed at 8% single rate

Long Lease value - agreed at £141,250

Short Lease value - determined at £110,500

<b>Diminution in value of Freeholder's interest</b>	£	£	£
Value before extension of lease:			
Ground rent receivable	9.00		
YP 54.15 years @ 8%	12.3062	111	
Reversion to freehold in possession excluding tenants improvements	141,250		
deferred 54.15 years @ 8%	0.015497	2,189	
		2,300	
Less Value after extension of lease	nil		
<b>Diminution in value of Freeholder's interest</b>			2,300
<b>Calculation of Marriage Value</b>			
Value of proposed interests:			
Value of freehold interest after extension of lease	nil		
Value of leasehold interest after extension of lease	141,250	141,250	
Less value of existing interests:			
Value of freehold interest before extension of lease	2,300		
Value of leasehold interest before extension of lease	110,500	112,800	
Marriage value		28,450	
50% marriage value attributed to landlord			14,225
			16,525
<b>PREMIUM PAYABLE</b>	say		<b><u>£16,525</u></b>