

LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: Mr B A Fellowes and Mrs R K Fellowes

Respondent: The Hon Mrs Morrison, Sir Simon Hornby, H M Henderson and J Drake, acting as Trustees for the Ilchester Estates

RE: 80 Addison Road, London W14 8ED

Application to Tribunal dated: 11 April 1997

Heard: 19 August 1997: Inspection 8 October 1997

Appearances:

Mr J Kimble (Counsel)  
Miss J Ellis FRICS FSV A (Langley-Taylor)

for the Tenant

Mr R Mullis (Counsel)  
Miss L Blackwell (Boodle Hatfield, Solicitors)  
Mr I Macpherson MA FRICS (Gerald Eve)  
Mr A J McGillivray (W Ellis)

for the Landlord

Members of the Leasehold Valuation Tribunal:

Mrs S E Denman CBE LLM (Chairman)  
Mr E R Tarry FRICS  
Mr E P Gudgin FCA ATII

Tenants notice dated: 16 November 1995

Landlord's counter-notice dated: 8 March 1996

Valuation date: 16 November 1995

Leasehold Valuation Tribunal's determination: £628,000

Date of Tribunal's decision: 4 December 1997

## Facts

1. At the opening of the hearing, the parties indicated that they had agreed a statement of facts covering matters including descriptive detail of the property and tenant's improvements, the value of the freehold interest disregarding tenants improvements, the value of the 65 year leasehold interest for rent review purposes of the existing 45 year leasehold interest and confirming that no claim was being made for compensation under Section 9A of the Act. The statement is attached to this decision on Annex A.

2. Opening for the applicants, Mr Kimble said that only 2 matters remained for determination by the Tribunal:

- (i) The capitalisation rate to be applied to the ground rent and freehold reversion
- (ii) Share of marriage value

Both parties submitted written proofs in support of their valuations, the valuation date having been agreed at 16 November 1995, at which date approximately 45 years remained unexpired on the lease.

The valuation of Miss Ellis on behalf of the applicants is attached at Annex B and The Valuation of Mr Macpherson on behalf of the landlords is attached at Annex C.

Matters remaining in dispute are summarised as follows:

	Miss Ellis	Mr Macpherson
Capitalisation GR	9%	5% then 6%
PHR	9%	6%
Marriage value - division	50/50	66.67%
Price proposed	£547,500	£752,000

3. Inspection: The Tribunal inspected the subject property externally and internally on 8 October 1997. External inspections were also made of main comparables cited in the same road, Nos 68, 69, 78 and 81, as well as properties in neighbouring St Mary Abbotts Terrace and Abbottsbury Road.

## The Evidence

### Capitalisation Rates:

4. Ms Ellis drew upon six determinations by the Lands Tribunal and Leasehold Valuation Tribunals in respect of other houses on the Estate as well as on the analyses of settlements which she had achieved, to observe that a 9% rate had invariably been applied to deferment of the landlord's reversionary interest. She had

### Marriage Value

7. Ms Ellis said she rested upon the guidance enunciated in the Lloyd-Jones case, declaring the basis to rest on the view that in friendly negotiations the parties would agree to divide the sum arising equally. She said that she knew of no evidence that lessees were willing to pay more than 50% of marriage value and cases determined by Leasehold Valuation Tribunals under Section 9(1c)(a) of the 1967 Act constantly applied that 50/50 split. Further, the settlement evidence given by Mr Macpherson, with one exception, also showed an equal split of marriage value and his voluntary sale negotiations in Addison Road could not be accepted as open market transactions at arms length.

8. Mr Macpherson, largely relied on the evidence offered on the voluntary sales of 69, 78, 81 and 68 Addison Road, analysed to show marriage value included in the price agreed at 63, 98, 127 and 75 or 65% respectively. He refuted the suggestion that such purchasers, though often anxious to sell-on the property after enfranchisement, reacted to that pressure. He thought it could generally be assumed that leaseholders, having regard to the gain in value and likely profit realisable from selling the merged interest, would willingly pay a higher share of marriage value.

### The Tribunal's Decision

9. The Tribunal were glad to receive the parties' helpfully agreed statement of facts and carefully considered the arguments advanced by each side on the two outstanding issues to be resolved:

- Capitalisation rates: We found the comparables upon which Ms Ellis supported her uniform rate of 9% rather dated, as well as being different types of property. We did not believe they well reflected what an investor might pay for the subject property, given its high value on reversion and the structure of its lease. We were much more persuaded by Mr Macpherson's case for considering 6% but felt that he really lacked hard comparables in the immediate vicinity, although the attention drawn to properties in St John's Wood and on the Cadogan Estate were of some assistance in setting the scene. However the actual case for 6% was somewhat undermined by the various settlements which the Estate has reached in presumably 'friendly' negotiations, when 7% was applied, a reality not wholly explained by reference to a 'reverse Delaforce' effect, willingly assumed by the Estate. In addition we did not find the evidence for different rates to be applied for capitalisation and deferment compelling and have therefore adopted the same rate for both. The subject property is undoubtedly an attractive investment with a substantial, quite early reversion. We concluded that a rate of 6.5% would properly reflect these facts.

LEASEHOLD REFORM ACT 1967

**LONDON LEASEHOLD VALUATION TRIBUNAL**

REF: LON/LVT/696

**80 ADDISON ROAD, LONDON W14**

**STATEMENT OF FACTS**

**AGREED BETWEEN**

**18 AUGUST 1997**

**I MACPHERSON MA FRICS  
GERALD EVE  
7 VERE STREET  
LONDON W1M 0JB  
Tel: 0171 493 3338  
Fax: 0171 491 1825**

**J ELLIS FRICS FSV  
LANGLEY-TAYLOR  
KINGSBOURNE HOUSE  
229-231 HIGH HOLBORN  
LONDON WC1V 7DA  
Tel: 0171 412 0330  
Fax: 0171 412 0331**

**1. CIRCUMSTANCES**

- 1.1 The claim concerns 80 Addison Road, London W14 (the House).
- 1.2 A claim was made dated the 16th November 1995.
- 1.3 The claim was admitted in a counter notice dated 8th March 1996.
- 1.4 On 11th April 1997 the Applicants applied to have the enfranchisement price determined by the Leasehold Valuation Tribunal.
- 1.5 The rateable value of the House on 31st March 1990 was £2,597.

**2. THE PARTIES**

- 2.1 The Applicants, the Lessees of the House, are Bernard Anthony Fellowes and Ruth Karen Fellowes. They are represented by Jennifer Ellis FRICS FSVA of Langley Taylor.
- 2.2 The Respondents, the Trustees of the Ilchester Estate, are represented by Andrew McGillivray of W A Ellis as regards open market values and Ian Macpherson MA FRICS of Gerald Eve as regards the enfranchisement price.

**3. TENURE**

- 3.1 The House is held by the Applicants under the terms of a Lease dated 10th April 1981 between the Trustees of the Ilchester Estate and Mr and Mrs Fellowes (Lease).
- 3.2 A copy of the Lease and a summary of the present terms is at Appendix A. Although the Lease was granted in succession to a lease dated 24 February

- vi) enlargement of bedroom 4 on second floor by raising of roof and creation of dormer window
- vii) subdivision of bedroom 5
- viii) garage extension to accommodate second car.

5.2 Clause 2 (4) of the Lease requires the Lessee to carry out works of "repair, reinstatement and alterations" listed in the first Schedule to the Lease.

## 6. **OBLIGATIONS TO REINSTATE**

6.1 Under the Licence for Alterations dated 10 April 1981 the leaseholder is obliged on

- i) the lease being assigned
  - ii) underletting
  - iii) the tenants ceasing to occupy the premises for 6 months or
  - iv) the lease expiring
- to
- a) remove the kitchenette fittings from the storeroom on the half landing between the 1st and 2nd floors
  - b) remove the staircase between the lower ground and ground floors and
  - c) reform the lower ground floor and ground and second floors as two good quality self-contained family dwelling houses.

## 7. **SURROUNDINGS**

7.1 The location of Addison Road can be seen in the Estate Map. It runs approximately north south and links Holland Park Road in the north to Kensington High Street in the south. At the southern end it becomes a one

## APPENDIX A

### SUMMARY OF LEASE

The Lease is dated 10th April 1981 and is between John Luke Lowther, Michael Patrick Wyndham and Rt Hon Viscountess Wimborne (The `Lessors') and Bernard Arthur Fellowes and Ruth Karen Fellowes (the `Tenants').

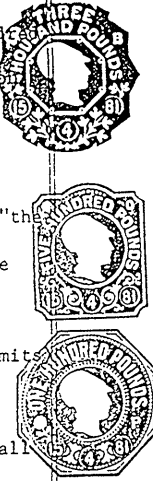
- Demise:** The house and land at 80 Addison Road, London W14.
- Term:** From 25th December 1980 for a term of 59.5 years (ie expiring June 2040, about 44.5 years after the valuation date).
- Rent:** Initially £500 pa.
- Rent Reviews:** On 25th March 2002 (about 6 years 4 months after the valuation date) and 2024 to 0.5% of the open market value of a 65 year leasehold interest at a peppercorn rent.
- Repairs:** The Tenants are required to maintain and repair the house and any other buildings included in the demise, decorating the interior every 7 years and the exterior every 3 years.
- Insurance:** The Tenants are required to insure the property in the joint names of the Lessors and the Tenants.
- Alteration:** The Tenants may not make structural alterations to the premises.
- Alienation:** Assignment or subletting of the whole property only is permitted, having first obtained the written consent of the

£ 200,000  
17/4

THIS LEASE made the 10<sup>th</sup> day of April One thousand nine hundred and Eighty-One BETWEEN: JOHN LUKE LOWTHER of Guilsborough Court, Northampton in the County of Northampton MICHAEL PATRICK WYNHAM of 25 Tregunter Road London SW10 and THE RIGHT HONOURABLE MABEL EDITH DOWAGER VISCOUNTESS WIMBORNE of Rozel Mount Durand St. Peter Port Guernsey Channel Islands (hereinafter called "the Lessors" which expression shall include the Estate Owners or Estate Owner for the time being entitled to the immediate reversion of the property hereby demised expectant on the determination of the term hereby granted where the context so admits of the one part and BERNARD ANTHONY FELLOWES and RUTH KAREN FELLOWES both of 80 Addison Road London W14 (hereinafter called "the Tenants" which expression shall include their executors administrators and assigns where the context so admits) of the other part.

WITNESSETH and it is HEREBY AGREED AND DECLARED as follows:-

1. IN consideration of the sum of ONE HUNDRED AND EIGHTY THOUSAND POUNDS (£180,000.00) now paid by the Tenants to the Lessors (the receipt of which sum the Lessors hereby acknowledge) and of the rents and covenants on the part of the Tenants and conditions hereinafter reserved and contained the Lessors HEREBY DEMISE unto the Tenants ALL THAT piece or parcel of land situate in the Parish of St. Mary Abbots in the Royal Borough of Kensington & Chelsea having a frontage to Addison Road of Sixty feet or thereabouts and which said piece or parcel of land is more particularly delineated on the plan annexed hereto and is thereon coloured pink TOGETHER WITH the messuage or dwellinghouse erected thereon and known as No. 80 Addison Road aforesaid (which piece or parcel of land together with all buildings structures and things thereon are hereinafter called "the Premises") EXCEPT AND RESERVING unto the Lessors the free and uninterrupted passage and running of water soil electricity gas and other matter from and to all other buildings and land of the Lessors and their tenants (if any) adjoining to or near the Premises through any sewers drains pipes wires watercourses and channels which now are or may at any time hereafter during the term hereby granted be upon in under or over the Premises AND SUBJECT to the right which is hereby reserved for the Lessors and their tenants (if any) at any time hereafter to rebuild or alter any of the adjoining or neighbouring buildings and to build upon or use the land belonging to the Lessors and adjoining or neighbouring premises for any purpose whatever notwithstanding any interference or loss of amenity caused thereby with or to the Premises or the access of light and air thereto TO HOLD the Premises unto the Tenants from the Twenty-fifth day of December One thousand nine hundred and Eighty for the term of Fifty nine and one half years thence next ensuing expiring upon the Twenty-fourth day of June Two thousand and forty (hereinafter called "the Term") SUBJECT to and with the benefit of a Lease of the Premises dated the Twenty-fourth day of February One thousand nine hundred and Seventy-five made between The Honourable





Peter Pleydell-Bouverie the said John Luke Lowther and the said Michael Patrick Wyndham of the one part and Brian Worth and Teresa Worth of the other part YIELDING AND PAYING therefor yearly and so in proportion for a less time than a year during the term the rent of FIVE HUNDRED POUNDS AND ALSO YIELDING AND PAYING yearly to the Lessors by way of further or additional rent the following:-

- (i) During the term of 22 years from the 25th March 2002 the sum (if any) by which decimal point five per centum (0.5%) of the capital value of the Premises as at the 25th day of March 2001 exceeds the said annual rent of £500.00.
- (ii) During the remainder of the said term commencing on the 25th day of March 2024 either the sum (if any) by which decimal point five per centum (0.5%) of the capital value of the Premises as at the 25th day of March 2023 exceeds the annual rent of £500.00 or a sum being the aggregate of the yearly rents hereby reserved during the year immediately preceding the 25th day of March 2024 (whichever shall be the higher rent)

the said rents to be paid by equal quarterly payments on the usual quarter days in every year the first of such payments in respect of the period from the date hereof to the quarter day immediately preceding the grant hereof to be made on the date hereof and the last quarterly payment to be made in advance on the quarter day preceding the date of the expiration or determination of the Term together with the quarterly payments due on such quarter day AND IT IS HEREBY AGREED AND DECLARED that for the purposes of this Lease the term "capital value" shall mean the full estimated sum which at each of the dates upon which by the provisions of this Clause such capital value is required to be ascertained (hereinafter called "the relevant dates") could reasonably be obtained in the open market by way of fine or premium on the grant of a Headlease of the Premises for a term of 65 years at a peppercorn rent upon the assumption that the same was to be granted with immediate vacant possession and subject to the covenants and conditions herein contained (with the omission therefrom of the premium and rents hereby reserved) and upon the further assumption that the covenants and conditions relating to the repair and user of the premises have been fully observed and complied with up to the date upon which such capital value is required to be ascertained PROVIDED ALWAYS that if the Lessors and the Tenants shall be unable to agree the capital value of the Premises within a period of three calendar months next following each or any of the relevant dates then and in such event immediately after the expiry of such period or periods as the case may be the question shall be referred by the Lessors or the Tenants to an appropriate single arbitrator to be appointed by the President for the time being of The Royal Institution of Chartered Surveyors under the provisions of The Arbitration Act 1950

- (a) 3 per cent on the first £2,000.00 of the total cost of the works;
- (b) 2 per cent on the next £8,000.00 of such total cost and
- (c) 1 per cent on the balance thereof

(5) To execute and do at the expense of the Tenants all such works and things whatever as may or at any time during the Term shall be directed or required by any national or local or other public authority to be executed or done upon or in respect of the Premises or any part thereof or by the owner or occupier thereof.

(6) To obtain all licences permissions and consents and execute and do all works and things and bear and pay all expenses required or imposed by any existing or future legislation in respect of any works carried out by the Tenants on the Premises or any part thereof or of any user thereof during the Term and to pay the reasonable fees costs and charges of the solicitors for the time being of the Lessors and of the Surveyor in relation to any planning inspection or approval or otherwise in connection therewith and to keep the Lessors indemnified in respect of any breach or non-observance thereof.

*Walter H. H. H. H.  
S. H. H. H. H.*

(7) Once in the year One thousand nine hundred and eighty<sup>one</sup> and once in every succeeding third year and also in the last year of the Term howsoever determined to paint in a good and workmanlike manner all outside wood stucco cement iron and other parts usually or which ought to be painted of the Premises with two coats at least of good and proper paint or other material of a type and colour to be approved by the Surveyor and at the same time make good clean and reform the external stone and brick work of the Premises wherever necessary.

(8) Once in the year One thousand nine hundred and eighty-four and once in every succeeding seventh year and in the last year of the Term howsoever determined to paint with two coats at least of good quality paint and paper grain varnish colour whitewash and generally decorate in a style appropriate to property of a like character all the inside parts of the Premises proper to be so painted papered grained varnished coloured whitewashed and decorated.

(9) (a) Throughout the term to keep such part of the Premises as consists of garden in good order and condition and not to put or suffer to remain outside the existing building any erection or structure whatsoever nor allow any hedge to exceed six feet in height.

Premises it shall be lawful for the Lessors (but without prejudice to the right of re-entry under the clause hereinafter contained) to enter upon the Premises and repair or decorate the same at the expense of the Tenants in accordance with the covenants and provisions of this Lease and the expenses of such repairs including Surveyors' fees shall be repaid by the Tenants to the Lessors on demand PROVIDED ALWAYS that the provisions of this sub-clause shall extend to and be deemed to include the works referred to in the First Schedule hereto

- (15) It shall be lawful for the agents or workmen employed by the Lessors or for any other person to be appointed by them at all reasonable times during the Term and upon prior appointment being made to enter into and upon the Premises or any part thereof for the purpose of executing any works on adjoining property of the Lessors or to repair and rebuild any adjoining property or to construct lay down alter cleanse empty renew repair or maintain any of the boundary walls sewers drains water pipes gutters electric wires or gas pipes belonging to the same making good all damage caused thereby to the Premises or the contents thereof AND ALSO in case any dispute shall at any time or times arise between the Tenant and any tenant or occupier of any adjoining property relating to the said boundary walls sewers drains water pipes gutters electric wires or gas pipes or to any easements or privileges whatsoever affecting the Premises or any adjoining property the same shall from time to time be settled by the Lessors or the Surveyors (if the Lessors think fit).

- (16) At all times to insure and keep insured in the joint names of the Tenants and the Lessors the Premises from and against loss or damage by fire or aircraft articles dropped therefrom and (during such time as the United Kingdom may be at war or engaged in hostilities with any foreign power and if and so long as such risks shall be insurable) by acts on or on account of the Queen's Enemies to the full value of the cost of rebuilding thereof at the least (such cost to be deemed to be the sum of *four hundred and sixty thousand pounds* (£460,000) until otherwise certified by the Surveyor whose certificate shall be conclusive) plus in addition Twelve and one half per centum of such value for Architects and Surveyors fees in connection with such rebuilding and plus a sum representing two years rent under this Lease) through the agency of the Surveyor in the Guardian Royal Exchange Assurance Group (if and so long as possible through its branch at 7 St. James's Street, London SW1) and in no other office whatsoever unless and until directed so to do in writing by the Lessors and then in the office and through the agency named in such direction the policy of such insurance to contain the following clause:-

"The rights of the Lessors for the time being of the Premises insured under this policy shall not be prejudiced by any act or omission on the part of the

- (b) Not at any time during the last four years of the Term to assign transfer underlet or part with the possession of the Premises or any part thereof
- (c) To insert in every underlease of the Premises or any part thereof for a term expiring after the Twenty-fourth day of June Two thousand and thirty-six a covenant by the underlessees or underlessee with the Lessors and with the Tenants not during the last four years of the Term to assign underlet part with or share the possession or occupation of the property comprised in such underlease.
- (18) (a) Every underlease of the garden floor flat shall reserve an annual rent during the whole of the term of such underlease of not less than 40% of the annual rents hereby reserved.
- (b) Every underlease of the remainder of the Premises shall at all times reserve an annual rent or annual rents not less than the annual rents hereby reserved.
- (19) Within one calendar month after any assignment transfer underletting transfer of underletting charge or devolution of the Tenants' interest in the Premises or any part thereof to leave with the solicitors for the time being of the Lessors at their office notice in writing of such assignment transfer underletting transfer of underletting charge or devolution specifying the name and address and description of the person in whom the said interest or any part thereof may have become vested and at the same time to leave with them the instrument of or evidencing such assignment transfer underletting and transfer of underletting charge or devolution including probates and letters of administration for registration in order that they may endorse thereon a memorandum of registration and make a note of the contents and to pay the fee of Ten Pounds plus Value Added Tax thereon for each such registration.
- (20) That the Premises shall be used as two private family dwellinghouses each for single family occupation one of such dwellinghouses to comprise the said garden floor flat and the other to comprise the remainder of the Premises not to share or permit the sharing of occupation of either of the said dwellinghouses with persons (whether as paying guests or otherwise) who are not members of the immediate family of the authorised tenants of such dwellinghouses.
- (21) Not to use the Premises or any part thereof for "business purposes" within the meaning assigned to that expression by Section 23 of the Landlord and Tenant Act 1954.

- (28) To use the best endeavours of the Tenants to prevent any easements or rights belonging to or used with the Premises from being obstructed or lost.
- (29) Not to encroach or (so far as the Tenants can) knowingly allow any easement to be made on or easement required over the Premises and in particular not (so far as the Tenants can) knowingly allow the right of access or right of way from or over the Premises to any neighbouring property to be acquired.
- (30) To give notice forthwith to the Lessors of any notice or order or proposed notice or order served under any Statute Order Regulation or Bye-law on the Premises or (as soon as the same is known to the Tenants) any underlessee of the Premises or any part thereof and if so required by the Lessors at the Lessors' cost to produce the same and join in making such representations in respect thereof as the Lessors may reasonably require.
- (31) To insert in every underlease or agreement for an underlease of the Premises or any part thereof a covenant under seal by the underlessees or underlessee with the Lessors and with the Tenants to observe and perform so far as respects the property comprised in such underlease all the covenants conditions and provisions (other than the covenant for payment of rent and insurance) hereinafter contained and on the part of the Tenant to be observed and a condition of re-entry on breach of such covenant.

3. THE Lessors hereby covenant with the Tenants that the Tenants paying the rents hereby reserved and performing and observing the several covenants conditions and provisions herein contained and on their part to be performed and observed shall may hold and quietly enjoy the Premises during the Term without interruption by the Lessors or any person claiming under or in trust for them or by title paramount.

4. PROVIDED ALWAYS and it is hereby expressly agreed and declared that the right of access and user of light and air to and for the Premises from and over the adjoining or neighbouring property of the Lessors is enjoyed under the express consent of the Lessors and that the Lessors may from time to time and at any time interfere with or destroy the access of light and air to the Premises by erecting a new building or buildings or altering existing buildings on such adjoining or neighbouring land without any formal revocation of such consent.

5. PROVIDED ALSO and these presents are upon this condition that if the said yearly rents hereby reserved shall at any time be in arrear and unpaid for twenty days after the same shall have become due (whether any formal or legal demand therefor shall have been made or not) or if the Tenants shall at any time fail or neglect to

- C. Construct a rendered pediment over the garage door Ditto
- D. Remove windows from the garage door. Ditto
- E. Install an effective means of damp proofing the front bathroom at lower ground floor level. Ditto.
- F. Undertake repairs to settlement damage affecting window openings to lower ground floor kitchen and sitting room. Ditto
- G. Replace defective rainwater pipes on external elevations. Ditto
- H. Install external steel security bars to all lower ground floor windows. Ditto
- I. Extend the garage towards the rear of the property. Ditto
- J. Take down the balustrade above the cornice at 2nd floor level and rebuild with a bottle balustrade in the original form (to match those on nearby premises, in particular 72 Addison Road). 25th December 1983
- K. Erect Oak timber trellis to the Estate standard pattern on the front flank boundary walls. 25th December 1983.

THE SECOND SCHEDULE (referred to in Clause 6 hereof)

THIS DEED made the \_\_\_\_\_ day of \_\_\_\_\_

SUPPLEMENTAL to Clause 6 of the within written Lease

WITNESSETH AND IT IS HEREBY AGREED AND DECLARED as follows:-

1. The reversion immediately expectant upon the determination of the term granted by the within Lease is now vested in  
  
(in this Deed referred to as "the Lessor ")
2. The premises comprised in the within written Lease are now vested in  
  
(in this Deed referred to as "the Tenant ").
3. The Lessor and the Tenant hereby respectively acknowledge that for the term of years commencing on the \_\_\_\_\_



**SCHEDULE OF ACCOMMODATION**

**Lower Ground Floor**

Games Room:	7.9m x 4.3m (25'11" x 14'1"), access from garden only.
TV Room:	3.5m x 4.5m (11'6" x 14'9").
Kitchen:	2.9m x 3.05m (9'6" x 10'0")
Leisure Room:	6.3m x 4.1m (21'4" x 13'5"), split level.
Staff Sitting Room:	3.7m x 3.8m (12'2" x 12'6").
Staff Bedroom:	4.4m x 4.5m (15'5" x 14'9").
Staff Bathroom:	bath, basin, wc.
Shower Room:	shower, basin, wc.

**Ground Floor**

Hall

Reception Room:	12.3m x 4.5m (40'4" x 14'9")
Reception Room:	8.7m x 4.5m (28'7" x 14'9").
Kitchen:	8.5m x 5.2m (27'11" x 17'1").
Cloakroom:	wc and basin.

**First Floor**

Bedroom 1:	7.9m x 4.4m (25'11" x 14'5"), fitted cupboards.
Bathroom 1:	bath, basin, wc.
Bedroom 2:	6.0m x 4.5m (19'8" x 14'9").
Bathroom 2:	bath, basin, bidet, wc
Bedroom 3:	4.4m x 4.5m (14'5" x 14'9").
Sitting Room:	3.5m x 4.5m (11'6" x 14'9").



ASSESSMENT OF ENFRANCHISEMENT PRICE

ANNEX B

80 ADDISON ROAD

JE1

Claim/valuation date: Nov 1995	Values of house:	
Lease term: expires June 2040	freehold	3000000
Unexpired term: 45 years	on 45 year lease	2055000
Current ground rent 500 p a		
1st review is in March 2002	Capitalisation and discount rate	9 %
ie after 6 years	Vendor's share of marriage value	50 %
Review is to £ 13440 pa		

A VALUE OF FREEHOLDER'S INTEREST EXCLUDING PROSPECTS OF MARRIAGE

1	Current rent			500	
	YP 45 years @ 9 %			10.88119	5441
				-----	
2	Rent on review			13440	
	Less current rent			500	
				-----	
	Rent increase			12940	
	YP 39 years @ 9 %	10.7255			
	PV 6 years @ 9 %	0.59626		6.395278	82754.90
				-----	
3	Reversion				
	to capital value of freehold interest			3000000	
	PV 45 years @ 9 %			0.020692	62077
				-----	
	Value of freeholder's interest				150272

B FREEHOLDER'S SHARE OF MARRIAGE VALUE

	Value after marriage			3000000	
	Before marriage				
	Freeholder's interest	150272			
	Lessee's interest	2055000		2205272	
				-----	
	Gain on marriage			794728	
	Freeholder's share @ 50 %				397364
					-----
	ENFRANCHISEMENT PRICE				547636
					=====
	say				547500

## ANNEX D

80 Addison Road, London W14

Valuation in accordance with Section 9 of the Leasehold Reform Act 1967, as amended.

Agreed by the parties

Freehold interest with vp	£3,000,000
Existing leasehold interest	£2,055,000
Rent on review	£ 13,440 pa
Lease term: 59.5 years from 25 December 1980	
Rent reviews: 25 March 2002 & 2024	

Freeholder's existing interest

Ground rent passing	£500 pa	
YP 6.25 yrs @ 6.5%	<u>5.252</u>	£2,626
Reversion to	£13,440 pa	
YP 38.25 yrs @ 6.5%	14.001	
Deferred 6.25 yrs @ 6.5%	<u>0.674877</u>	£126,985
Reversion to capital value	£3,000,000	
Deferred 44.5 yrs @ 6.5%	<u>0.0606957</u>	£182,087
Value of existing freehold interest		£311,698

Marriage Value

Freehold interest with VP £3,000,000

Less

Existing freehold interest	£ 311,698	
Existing lessees interest	<u>£2,055,000</u>	<u>£2,366,698</u>
Marriage value	£ 633,302	
50% to freeholder		<u>£316,651</u>
		£628,349
<b>Enfranchisement price</b>	say	<u><b>£628,000</b></u>