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(LVT 9)

Ref: LON/LVT/902/98

LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL

Leasehold Reform Act 1967

Housing Act 1980

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER
S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: John Lyons Charity

Respondent: Mr Peter Shalson

RE: 98 Hamilton Terrace, London NW8 9UP.

Date of Tenant's Notice: 19 November 1997.

Application to the Tribunal dated: 15 July 1998.

Heard: 15 June, 2 August and 5 August 1999.

Appearances:

Mr E Johnson (of Counsel)

Mr D Conway (David Conway & Co, solicitors)

Mr K G Buchanan B.Sc ARICS (Conrad Ritblat, chartered surveyors)

for the Tenant

Mr K S Munro (of Counsel)

Mr D W J Greenish (Lee & Pembertons, solicitors)

Mr J E C Briant BA, ARICS and Mr T P C Reade B.Sc ARICS (Cluttons Daniel Smith)

for the Landlord

Members of the Leasehold Valuation Tribunal

Mrs J McGrandle B.Sc (Est Man) ARICS, MRTPI (Chairman)

Mrs S E McGrath

Mr D Z Myer -Smith LLB

Date of the Tribunal's decision: 2 November 1999.

1.0 Introduction

1.1 This is an application made by John Lyon's Charity ("the applicant") for the determination of the enfranchisement price as at 19 November 1997, the date of the notice of claim, for the freehold interest under S.9(1C) of the Leasehold Reform Act, 1967 ("the 1967 Act") as amended by the Leasehold Reform, Housing and Urban Development Act, 1993 in respect of the house and premises at 98 Hamilton Terrace, NW8 ("the property").

1.2 The lessee, Mr Shalson ("the respondent"), who acquired his interest in November, 1991, holds under a lease from the freeholders, John Lyon's Charity (then known as Keepers and Governors of Harrow School), dated 19 May, 1947, for a term of 99 years from 25 March, 1947, expiring on 24 March 2046. The unexpired term at the date of valuation is therefore 48.40 years. At the valuation date the rent payable under the lease was £140 per annum with no provision for review.

1.3 During the course of the hearing, the Tribunal made an internal inspection of the property. External inspections were made of a number of comparables in the area quoted by the parties.

2.0 The Property

2.1 This comprises a substantial detached double-fronted 5-storey (basement, ground and 3 upper floors) house in single occupation located on the north-east side of Hamilton Terrace, set well back from the pavement to a consistent building line. To the rear is a large east-facing garden. Built c. 1840, but with later extensions - mansard, rear and side -, the property is not listed but is situated within the St John's Wood Conservation Area. EFA "A" area (excl. respondent's improvements) = 3390 sq.ft.

2.2 The property's location within St John's Wood is described in the evidence which is on file. Hamilton Terrace itself is a wide tree-lined avenue developed around 1840 to a consistent pattern as part of the residential Harrow School Estate. The properties are substantial and the majority, but not all, have now reverted to single occupation. The property is located within the middle section of Hamilton Terrace where there is a turn of the century mansion block and also a number of houses still in flats.

2.3 When Mr Shalson acquired the lease in 1991, the property comprised 2 dwellings, a self-contained basement flat and the remainder of the house. Since then substantial works, part repair, part improvement, have taken place in order to extend and improve the accommodation and return the property to a single family dwelling.

3.0 Agreed Facts

3.1 A Statement of Agreed Facts is attached as Appendix 1. In particular:

- The valuation date is 19 November 1997
- Marriage value is to be split 50:50
- The property is to be valued as unimproved ie disregarding any improvements carried out by the lessee or his predecessors in title
- There is an agreed schedule of comparables, added to during the course of the hearing

4.0 Issues

- 4.1
- 1) Improvements to be disregarded
 - 2) The value of the unimproved freehold interest
 - 3) The value of the unimproved leasehold interest
 - 4) Yield
 - 5) Terms of transfer

4.2 Although there was a list of improvements that had been agreed, there was a fundamental difference of opinion as to how remaining improvements should be treated. Accordingly the basis of valuation could not be agreed, the applicant seeking to value the property as a house modernised but unimproved and the respondent as a house converted into flats and stripped of historic extensions. The applicant, but not the respondent, nevertheless undertook to provide valuations in the alternative. The respective valuations are attached as Appendices 2 (a) and (b) and 3. Proposed enfranchisement prices are as follows:

Mr Reade (applicant):	£509,500 or £418,000
Mr Buchanan (respondent):	£255,500

5.0 Hearing

Lease Chronology

5.1 Following an order for disclosure, 2 leases prior to the 1947 lease came to light, a lease dated 1921 and an earlier lease dated 1843.

5.2 The lease chronology is briefly as follows:

- The property was built under a building agreement date 11 March 1840
- A lease of the house was granted to a Charles Calley on 30 August, 1843
- That lease was for 95 years from 24.6.1843 and included besides 98 Hamilton Terrace the mews building later known as 6 Abercorn Mews South
- On 22 November 1920, when the 1843 lease still had 17.5 years to run, Kathleen, Lady Weaver, assigned part of the 1843 lease, that part relating to 6 Abercorn Mews South
- On 11 February 1921 Lady Weaver was granted a new lease of 50 years from 25.12.1919
- Between 1921 and 1946 a series of assignments of the 1921 lease took place, culminating in an assignment of the lease to an Erwin Weissenstein on 13 June, 1946
- By a deed of 19 May, 1947, Erwin Weissenstein surrendered the 1921 lease and on that date was granted a new lease (ie the lease currently held by the respondent, Mr Shalson) for a term of 99 years from 25.3.1947

5.3 Following the grant of the 1947 lease, the property was converted by Mr Weissenstein into 5 flats and subsequently internally altered by successive assignees so that on Mr Shalson's acquisition in 1991 the accommodation had been re-arranged to provide 2 units only (see para.2.3 above).

5.4 On the strength of this evidence it was the respondent's case that the leases could

be linked back to 1843. It was however the applicant's case that the 1947 lease could be linked only with the 1921 lease and not with the 1843 lease. Alternatively, the applicant sought to show that the respondent was not entitled to mount this linkage argument since no previous leases had been identified in the formal Notice of Tenant's Claim.

Improvements

5.5 Mr Belcher, an architectural historian, was called by Mr Johnson on behalf of the respondent to give evidence on the nature of historic improvements carried out at the property.

5.6 By reference to 1904 drainage records and to the District Surveyor's 1920 returns he sought to show that the building of the mansard, an extension on the north side of the property and alterations to the rear of the property had taken place either during 1920 or earlier. Mr Belcher conceded that the returns stated that the work had been paid for by Sir Lawrence Weaver, not Kathleen, Lady Weaver and thought this to be a mistaken entry by the builder. The mansard, it was submitted, was therefore an improvement which fell to be disregarded, having been carried out during the term of the (united) lease.

5.7 Mr Johnson submitted that the conversion to a single dwelling house from flats (instigated in 1967 and completed in 1993/4 by Mr Shalson) was also an improvement which fell to be disregarded. Accordingly he asked the Tribunal to value the property as converted into 4 flats (ie excluding the mansard) with potential for conversion to a house, without a garage or off-street parking, in repair but unmodernised.

5.8 Mr Munro, for the applicant, argued that much of Mr Belcher's evidence was speculative. Even if the Tribunal concluded that the mansard and other extensions had been built between 1904/1921, there was no evidence that this was while Lady Weaver was the lessee. There was no indication that Sir Lawrence Weaver, shown in the 1920 returns as having paid for the works, was ever the lessee. The 1920 works could have been done on a building agreement, the 1921 lease being granted conditional on completion of the works.

5.9 Further, in his view, the conversion post-1947 from flats to house was not an improvement; the concept was illogical. The property was initially converted to a "block of flats" as a condition of the 1947 lease. The subsequent conversion from flats to a dwelling house was not an *improvement* of a house and premises but the *creation* of a house and premises. Consequently, the conversion to the dwelling house found at the valuation date was not an improvement which fell to be disregarded. Further, by valuing the property as a house the applicant was doing no more than going back to the start of the 1947 lease. He asked the Tribunal to value the property as a dwelling house as standing, modernised but unimproved, less the value of the respondent's improvements (Appendix 2a). Were the Tribunal to prefer the respondent's approach, however, then an alternative valuation (Appendix 2b) had been prepared 1) disregarding the mansard floor accommodation and 2) assuming the remainder of the house to be converted into 4 flats.

Unimproved freehold value

5.10 Mr Reade for the applicant had assessed the freehold VP value of the house, disregarding the respondent's improvements but assuming the main shell of the house to

be repaired and modernised, @ £2,800,000. This figure had been reached by valuing the house as standing @ £3,000,000 and then assessing the value of the respondent's works @ £500,000 of which £200,000 was in his view attributable to improvements as opposed to repairs. He reached his valuation by analysing the schedule of agreed comparables, in particular, in order of importance:

- 97, Hamilton Terrace
- 123, Hamilton Terrace
- 57, Hamilton Terrace
- 136, Hamilton Terrace

5.11 During the course of the hearing Mr Reade produced an alternative valuation on the basis of the unimproved property as standing (£2,800,000) but excluding the mansard floor (less £50,000) and assuming conversion into 4 flats (less £500,000). Without reference to comparables he assessed this therefore @ £2,250,000. He then as a check examined the transaction at 126, Hamilton Terrace, a house in flats at time of sale but with potential for conversion to a single dwelling house; he still regarded 97, Hamilton Terrace as his best comparable even on the alternative basis of valuation.

5.12 Mr Buchanan, for the respondent, had earlier valued the unimproved freehold of the property as standing @ £2,250,000, relying primarily on the transactions at 97 and 123 Hamilton Terrace. He asked the Tribunal to substitute for this valuation an amended valuation of £1,575,000 for the unimproved freehold of the property assuming no mansard floor and the property divided into 4 flats. To support this amended figure he too quoted the sale of 126, Hamilton Terrace.

Unimproved leasehold value

5.13 Mr Reade, in support of his figure of £1,950,000 for the unimproved leasehold value, stated that this was 69.64% of his estimated unimproved freehold value and accorded with Leasehold Reform Act settlements in St John's Wood. In his amended (4 flats ex mansard) valuation he had reached a reduced figure of £1,550,000 and referred to the leasehold transaction at 96 Hamilton Terrace. In both cases he had deducted the total rather than proportionate value of improvements. He sought to justify this by stating that it was reasonable to assume that the respondent's improvements would become obsolescent and their value extinguished during the remainder of the term of the current lease.

5.14 Mr Buchanan also referred to the transaction at 96, Hamilton Terrace in support of his revised figure of £1,140,000 (substituted for £1,600,000) for the unimproved leasehold interest. The Tribunal were referred to the LVT case *Williams v Tr'ees of Portman Family Settled Estates (LON/LVT/570)* and asked to adopt a proportionate approach when considering the deduction of improvements affecting the valuation of leasehold interests.

5.15 To summarise, the respective figures were as follows:

	Unimproved f/h VP value	Unimproved l/h VP value
Mr Reade (Applicant)	£2,800,000 <i>or</i> £2,250,000	£1,950,000 <i>or</i> £1,550,000
Mr Buchanan (Respondent)	£1,575,000	£1,140,000

with Mr Reade putting forward figures in the alternative and Mr Buchanan asking the Tribunal to consider only his amended valuation.

Yield

5.16 Mr Reade, asking the Tribunal to value the property not as “unmodernised” but as “unimproved”, argued for a yield of 6%. In support of this he cited Lands Tribunal determinations at 43 Hamilton Terrace and 139 Hamilton Terrace and a range of settlements made by his firm elsewhere in Hamilton Terrace. Where cases in St John’s Wood had been settled by the Lands Tribunal at yields higher than 6% this was because the location was inferior to the subject property eg 6.25% at Avenue Road and 6.25% at Loudoun Road.

5.17 Mr Buchanan argued for a yield of 6.5%:

- The premises had to be valued as flats ripe for conversion to a house
- The table of settlements put in by Mr Reade supporting 6% varied enormously in freehold VP values and length of unexpired term
- Where settlements had been obtained, qualifications attached to those settlements had been omitted from Mr Reade’s evidence
- The subject was a high value property but had to be valued on the basis of no garage or off street parking; there was a long lease with low fixed ground rent
- He personally had agreed settlements where it had been possible to achieve a lower enfranchisement price for claimants if they were prepared to sign for a specified yield

Terms of Transfer

5.18 The Tribunal were given a copy of the draft terms of transfer and informed that all terms were agreed apart from para.5.3:

“Purchaser covenants.....single private dwelling in one family occupation only”

5.19 The Tribunal were informed by the applicant that it had been Estate policy since the 1980s to encourage the conversion back to single dwellings of houses in flats. Some 20 such houses had now reverted and this had been a factor in producing high capital values in Hamilton Terrace.

5.20 It was the applicant’s case that it was appropriate to include the restrictive covenant in the transfer since it was beneficial to neighbouring properties and reasonable in all the circumstances.

5.21 Mr Johnson asked the Tribunal to refuse the proposed covenant. He stated that the applicant was seeking to introduce the proposed covenant in order to extract money for its release in the future. The current proposal was an absolute prohibition and fell outside the scope of S.10 of the 1967 Act. It was unnecessary as there was already in place a qualified prohibition in the Estate’s 1971 estate management scheme to which the property would be subject on enfranchisement.

6.0 Decision

6.1 In order to determine the basis of valuation, we have to deal initially with the

question of improvements because, under S.9 (1A) (d) of the 1967 Act, value is to be assessed:

“on the assumption that the price be diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenant or his predecessor in title at their own expense.”

6.2 At the outset of the proceedings it was argued on behalf of the applicant that the respondent was confined, for the purposes of valuation, to the statutory contract which is fixed by the particulars contained in the tenant's statutory notice of claim to acquire the freehold. In this case particulars were given of the current lease and not of former leases. In support of this contention the Tribunal were referred to the Leasehold Reform (Notices) Regulations and Part II of Sch.3 to the 1967 Act. Mr Munro also later referred the Tribunal to the guidance notes in relation to the notice. The Tribunal did not accept that the valuation was limited in this way. The purpose of the particulars is to establish *eligibility* to acquire, ie the particulars must show that the tenancy is and has at all material times been a long tenancy.

6.3 There was no dispute about the need to disregard the improvements carried out by the current lessee. However, there was fundamental disagreement as to how earlier improvements should be treated.

6.4 It was common ground that the expression 'predecessor in title' is not confined to predecessors in title under the current lease, since section 3 (3), which provides the definition of 'long lease', permits linkage with an earlier lease (or arguably leases) in certain circumstances.

6.5 It was the respondent's case that the circumstances of this case permitted linkage with both the 1921 lease and the 1843 lease described above. As a result, all those improvements carried out by Lady Weaver and other lessees fell to be disregarded. The main significance of this proposition being the mansard floor and rear and side extensions added prior to the 1921 lease; the house should therefore be valued as if it had only four storeys and limited depth. The applicant disputed this.

6.6 Questions of statutory interpretation aside, in order to sustain this argument, the respondent had to demonstrate that the three leases could be properly linked. A deed of surrender dated May 19, 1947, executed by Erwin Weissenstein, demonstrated that the 1947 and 1921 leases could be so linked. However, a linkage between the 1921 and 1843 lease was a more difficult matter.

6.7 There were several circumstances which indicated that Lady Weaver was resident at the premises prior to the grant of the lease:

- When the 1921 lease was granted to Lady Weaver on 11.2.1921, her address was given as that of the premises;
- In 1920 works were carried out to the premises by Lady Weaver or her husband;
- The term of the 1921 lease was backdated to commence from December 25, 1919.

The Tribunal considered that none of these alone was capable of establishing that Lady Weaver held the 1843 lease prior to 1921. However, there was also evidence that on 22.11.1920 Lady Weaver assigned part of the premises demised (now 6, Abercorn Mews South) to Percy Morley Horder. She would not have been able to do so had she not been

the lessee of the premises. Accordingly, the Tribunal were satisfied that this circumstance together with other indicators set out above demonstrated that Lady Weaver had taken an assignment of the 1843 lease. It was inherently unlikely that she had held an intervening lease between November 1920 and February 1921, and the proper inference to be drawn was that Lady Weaver surrendered the 1843 lease and was granted the 1921 lease.

6.8 Turning then to the statute. It was argued forcefully on behalf of the applicant that S.3(3) permits linkage only with one prior lease. Further, that having regard to S.4 of the Act, any other interpretation of S.3(3) would lead to absurdity.

6.9 Dealing with the first submission, the Tribunal did not accept this argument. First, it is considered that the subsections of section 3 are free-standing, in that each deals with distinct and different circumstances. Therefore, in the absence of clearly restrictive words in subsection (3), there was no reason why the narrow interpretation advanced by the applicant should be sustained.

6.10 Secondly, while in subsection (2) it was necessary to make it clear that the deeming provision would apply, for example to a succession of short tenancies, there is no such deeming provision requiring clarification in subsection (3). Further, the words

‘is or has been once or more renewed’

in subsection (4) govern the clause ‘so as to bring to more than twenty-one years the total of the terms granted,’ rather than envisaging an extension of a lease which already exceeds twenty-one years.

6.11 Dealing with the second submission, the Tribunal did not accept this either. First, the proviso to section 4 means that the linking operation of section 3(3) is excluded from consideration since even two tenancies cannot be joined for its purposes. Secondly, the fixing of the appropriate day depends upon section 25(3) of the Rent Act 1977, not section 3(3) of the 1967 Act.

6.12 Accordingly, the Tribunal determine that the premises are to be valued disregarding any improvements carried out during the 1947 lease, the 1921 lease and the 1843 lease.

6.13 It is clear from the 1904 drainage plan and the 1843 and 1921 lease plans that at some stage post -1904 both the mansard and the side and rear extensions were added. Although the Tribunal were addressed at great length on the subject of the mansard, and the respective plans were studied in detail, neither party made submissions concerning the extension/s. In fact, a comparison of the three plans (checked against the current 2nd floor plan) shows that the rear extension alone amounted in broad terms to a depth of 5 ft. - or a 19% increase in the original depth of some 26 ft. - across the full width of the property for 3 floors and two-thirds width for a fourth floor (see photograph of rear elevation in Appendix 1 to Mr Buchanan’s proof). In taking these to be the improvements, the Tribunal were satisfied that the improvements were executed either by, or on behalf of, lessees.

6.14 Furthermore, dealing with the submissions set out in paras. 5.7 and 5.9 earlier, the Tribunal consider here that the correct basis of valuation was that proposed by Mr Munro. They agree that Mr Johnson’s proposition was illogical.

6.15 The Tribunal have therefore taken as a basis of valuation the property as a single dwelling house, in full repair (which perforce must include an element of modernisation) but excluding both the mansard and the rear and side extensions.

Unimproved freehold value

6.16 Mr Reade had put forward a figure of £2,800,000 for the main shell of the house, with a mansard, repaired and modernised but unimproved, Mr Buchanan, on a similar basis, £2,250,000 (albeit in his superseded valuation).

6.17 Both parties had relied on the transaction at 97 Hamilton Terrace (see earlier) and in the Tribunal's view this was the best comparable, being a period house in the same section of street, 4 storeys only, similar garden and the same type of layout. However, in view of the number of adjustments needed to No. 97's sale price to equate it with the subject property it was not surprising that the two experts were so far apart on value. The adjustments related to passage of time; to No. 97's wholly improved interior; the fact that the subject property had no integral garage, carriage drive or off-street parking; also that it had an east-facing garden, somewhat overlooked, and steep front steps to the ground floor.

6.18 In our view the appropriate figure is £2,500,000 which must however be discounted to reflect the hypothetical floor plan. We have accordingly discounted by 10% to reach a figure of £2,250,000 for the unimproved freehold.

Unimproved leasehold value

6.19 Mr Reade had reached his figure of £1,950,000 by deducting his value of the lessee's improvements (£200,000) from his value of the existing lease (£2,150,000), stating that the resultant ratio (unimproved l/h : f/h) of 69.64% accorded with settlements in St John's Wood.

6.20 Mr Buchanan's figure of £1,600,000 (again albeit in his superseded valuation) was reached on the basis of comparables. He stated that the relativity between his unimproved leasehold (£1.6m) and freehold (£2.25m) values was 71%.

6.21 The Tribunal have adopted a relativity of 70%, resulting in an unimproved leasehold value of £1,575,000.

Yield

6.22 Mr Reade had put forward a figure of 6%, Mr Buchanan a figure of 6.5%. In the Tribunal's view, Hamilton Terrace, though high value, is not prime. In particular, the property stands between two converted properties - Nos. 96 and 100 - both now in flats. By the applicant's own admission, conversions such as these do not serve to enhance capital values in the road. In the circumstances, the Tribunal have adopted a yield of 6.25%.

Terms of transfer

6.23 One term of the transfer was in dispute between the parties. The applicant contended that it was appropriate to include an absolute prohibition on use of the premises other than as a single private residence. By a deed of variation dated 20..9.83,

a qualified covenant for use of the premises as a single private residence was substituted in the lease. S.10(4)(b) of the 1967 Act provides that a transfer may contain such provisions

“as the landlord or the tenant may require to secure the continuance (with suitable adaptations) of restrictions arising by virtue of the tenancy or any agreement collateral thereto”.

The Tribunal did not consider the introduction of an absolute prohibition as being a “suitable adaptation” within the meaning of the section. Furthermore, the Tribunal did not consider that introduction of an absolute prohibition within S.10(4)(c) as compared with a qualified prohibition could on the evidence *materially* enhance the value of other property in which the applicant has an interest in particular having regard to the terms of the applicant’s estate management scheme. Accordingly the Tribunal declines to include the absolute prohibition.

7.0 Conclusion

7.1 The Tribunal’s valuation, determining an enfranchisement price of £398,200, is attached as Appendix 4.

CHAIRMAN..... *J. McGrandle.*

DATE..... 2 November 1999.

1. INTRODUCTION:

This Statement of Agreed Facts has been prepared by J E C Briant acting on behalf of the Freeholder, John Lyon's Charity and agreed by K G Buchanan acting on behalf of the lessee, Mr P Shalson.

2. ISSUES TO BE DETERMINED BY THE LEASEHOLD VALUATION TRIBUNAL:

1. The enfranchisement price of 98 Hamilton Terrace as at 19 November 1997, the date of Notice of Claim.
2. The form of Transfer.

3. DETAILS OF THE ACT:

The valuation in this case is to be carried out under Section 9(1C). A valuation under Section 9(1C) is based on a Section 9(1A) valuation subject to modifications.

It provides that the price payable for a house and premises "shall be the amount which at the relevant time the house and premises, if sold on the open market by a willing seller, might be expected to realise."

The first assumption is "...that the vendor was selling for an estate in fee simple, subject to the tenancy, but on the assumption that this Part of the Act conferred no right to acquire the Freehold."

The second assumption is "...that the tenant has no liability to carry out any repairs, maintenance or redecorations under the terms of the tenancy or Part 1 of the Landlord and Tenant Act 1954."

The third assumption is "...that the price be diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenants or their predecessors in title at their own expense."

The fourth assumption is "...that the vendor was selling subject to and in respect of rent charges and other rents to the same annual charge as the conveyance to the tenant is to be subject to but the purchaser would otherwise be effectively exonerated until termination of the tenancy from any liability or charge in respect of the tenants' encumbrances."

The fifth assumption is "...that the vendor was selling with and subject to the rights and burdens and subject to which the conveyance to the tenant is to be made."

The sixth assumption, in Section 9(1A)(b), namely that at the end of the tenancy the tenant has the right to remain in possession of the house and premises, does not apply in this case as the house is to be valued under Section 9(1C). Here, the right to acquire the Freehold arose by virtue of section 1A(1) of the Act, as the Rateable Value exceeded £1,500 on 1 April 1973.

4. DESCRIPTION AND SITUATION:

The property's location is marked on the location plan in **Appendix 1** and Ordnance Survey Plan in **Appendix 2**.

The property is shown in the photograph in **Appendix 3** and comprises a detached period house on ground, first, second and third floors of brick construction.

5. ACCOMMODATION:

The house comprises the following accommodation:-

Third Floor

Bedroom 1	3.85m	x	4.55m
Bathroom/WC			

Second Floor

Bedroom 2	3.60m	x	3.60m
Bedroom 3	3.60m	x	3.60m
En-Suite Bathroom/WC			
Bedroom 4	3.60m	x	3.60m
Bathroom/WC			
Bedroom 5	4.30m	x	2.85m
En-Suite Bathroom/WC			

First Floor

Master Bedroom	6.90m	x	4.80m
En-Suite Dressing Room	2.80m	x	5.66m
En-Suite Bathroom/WC			
Study	4.80m	x	4.20m
En-Suite Bathroom/WC			
Utility Room	2.10m	x	1.80m
Roof Terrace/Balcony			

Ground Floor

Entrance Hall			
Day Room	4.45m	x	3.95m
Kitchen	4.35m	x	6.80m
Reception Room	5.90m	x	7.55m
Dining Room	5.30m	x	4.15m
Breakfast Room			
Conservatory			

Lower Ground Floor

Garage			
Maid's Bedroom	5.80m	x	2.50m
En-Suite Bathroom			
Maid's Kitchen	1.80m	x	4.30m
Family Room	5.20m	x	4.50m
Plant Room			
Sauna			
Gym	6.00m	x	5.80m
Swimming Pool	12.75m	x	7.50m

Effective Floor Area disregarding lessee's improvements 315m²/3390 sq ft

6. RATEABLE VALUE:

The Rateable Value of 98 Hamilton Terrace from 1 April 1973 was £

The valuation in this case will be carried out under Section 9(1C) of the Leasehold Reform Act 1967, as amended.

7. LEASE DETAILS:

The Lease is dated 19 May 1947 and was granted for a term of 99 years from 25 March 1947 to expire 24 March 2046. The ground rent is £140 per annum fixed for the duration of the term. The Lease was granted on a full repairing and insuring basis.

The lessee, Mr P Shalson, served Notice of Claim to acquire the Charity's Freehold on 19 November 1997.

8. VALUATION DATE

The parties agree that the valuation date is the date of the initial Notice 19 November 1997.

9. **MARRIAGE VALUE**

The parties agree that the Freeholder will receive 50% of the marriage value.

10. **COMPARABLES**

Appendix 4 contains an agreed schedule of comparables. Photographs of these comparables are shown in **Appendix 5**.

Signed by the Freeholder's Representative


.....
T P C Reade BSc ARICS, Cluttons Daniel Smith

Signed by Leaseholders' Representative:-


.....
K G Buchanan, BSc ARICS, Conrad Ritblat

THE LEASEHOLD REFORM ACT 1967

DATE:- 10/06/99

PROPERTY 98 HAMILTON TERRACE, LONDON NW8.

NOTICE DATE 19/11/97

LEASE DETAILS

DATE	19/05/47
TERM	99
EXPIRY DATE	25/03/46
UNEXPIRED TERM	48.40
GROUND RENT	£140

VALUES

FHVP	£3,000,000
EXISTING LEASE	£2,150,000
LESSEE'S IMPROVEMENTS	£200,000

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT	£140	
	x YP	48.40 years @ 6.00%	15.67

			£2,194
<u>REVERSION</u>	FHVP	£2,800,000	
	x PV	48.40 years @ 6.00%	0.060

			£166,879

		Lessors present interest	£169,073

MARRIAGE VALUE

	FHVP	£2,800,000
Less	Lessor's Present Interest	£169,073
	Lessees' Present Interest	£1,950,000

	Marriage Value	£680,927
	Take	50% Marriage Value

		£340,464

	TOTAL	£509,537
	SAY	£509,500



THE LEASEHOLD REFORM ACT 1967

DATE:- 10/06/99

PROPERTY 98 HAMILTON TERRACE, LONDON NW8.

NOTICE DATE 19/11/97

LEASE DETAILS

DATE	19/05/47
TERM	99
EXPIRY DATE	25/03/46
UNEXPIRED TERM	48.40
GROUND RENT	£140

VALUES

FHVP	£3,000,000
EXISTING LEASE	£2,300,000
LESSEE'S IMPROVEMENTS	£750,000

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM 1</u>	GROUND RENT		£140	
	x YP	48.40 years @	6.00%	15.67
				<hr/>
				£2,194
<u>REVERSION</u>	FHVP		£2,250,000	
	x PV	48.40 years @	6.00%	0.060
				<hr/>
				£134,100
				<hr/>
			Lessors present interest	£136,293

MARRIAGE VALUE

	FHVP		£2,250,000	
<u>Less</u>	Lessor's Present Interest		£136,293	
	Lessees' Present Interest		£1,550,000	
			<hr/>	
	Marriage Value		£563,707	
	Take	50% Marriage Value		<hr/>
				£281,854
			TOTAL	£418,147
			<u>SAY</u>	<u>£418,000</u>



THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993**DATE:****PROPERTY:** 98 Hamilton Terrace, London NW8**VALUATION DATE:** 19/11/97LEASE DETAILS

DATE

TERM 99 years from 25/03/1947

EXPIRY DATE 25/03/2046

UNEXPIRED TERM 48.5 years

GROUND RENT £140p.a. fixed

VALUES

FHVP £1.575m

UNEXPIRED TERM £1.14m

LESSEE'S

IMPROVEMENTS

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM</u>	GROUND RENT	£140p.a.	
	x YP 48.5 years 6½%	14.65	
			£2,051
<u>REVERSION</u>	FHVP (less improvements)	£1.575m	
	x PV 48.5 years 6½%	.047	
			<u>£74,025</u>
		Lessors interest	£76,076
		But Say	£76,000

MARRIAGE VALUE

	FHVP (less improvements)	£1.575m
Less	Lessor's Present Interest	£76,000
	Lessees Interest (less improvements)	£1.14m
		<u>£359,000</u>
Marriage Value		
	50% Marriage Value	<u>£179,500</u>
	TOTAL	£255,500



LEASEHOLD REFORM ACT, 1967, AS AMENDED
SECTION 9 (1C)

98 Hamilton Terrace, NW8

Value of Freehold Interest

Ground rent	£140 per annum	
YP 48.5 years @ 6¼%	<u>15.154</u>	£ 2,122

Reversion

Unimproved FHVP	£2,250,000	
PV £1 48.5 years @ 6¼%	<u>0.053</u>	£119,250

Lessor's present interest		£121,372
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Marriage Value

Unimproved FHVP	£2,250,000	
<u>Less</u> Lessor's present interest	£ 121,372	
Lessee's unimproved LHVP	£1,575,000	£1,696,372

Marriage value	£ 553,628	
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50% Marriage Value		<u>£276,814</u>
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Total		£398,186
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Say	<u>£398,200</u>	
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Source: LVT