

LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT ASSESSMENT PANEL

Leasehold Reform Act 1967Housing Act 1980

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION

UNDER S21 OF THE LEASEHOLD REFORM ACT 1967

Applicant: The Trustees of The Eyre Estate

Respondent: Mr and Mrs L B Massey

RE: 34 AVENUE ROAD, ST JOHN'S WOOD, LONDON NW8

Date of Tenant's Notice: 16 October 1998

Application to the Tribunal dated: 8 February 1999

Heard: 20 and 21 January 2000

Appearances:

Mr E Johnson of Counsel

Mr G C Alterman of David Conway & Co, Solicitors

Mr K G Buchanan BSc, ARICS, of Messrs Conrad Ritblat, Chartered Surveyors

For the Tenant

Mr K Munro of Counsel

Miss K Glanville of Messrs Lee & Pembertons, Solicitors

Mr J E C Briant, BA, ARICS of Messrs Cluttons, Chartered Surveyors

For the Landlord

Members of the Leasehold Valuation Tribunal

Mrs F R Burton, LLB, LLM, MA (Chairman)

Mr D R Stevens, FRICS, FRVA

Mr O N Miller, BSc

Date of the Tribunal's decision: 7 April 2000

The facts

1. The subject property comprises a large 1960s brick built detached house on ground, first and second floors, with a large garden, carriage driveway and garage, held on a Lease from, and situated on the eastern (Primrose Hill) edge of, the Eyre Estate in St Johns Wood. The site is some 1596 square metres and the extent and layout of the accommodation is detailed in the Agreed Statement of Facts, which is annexed at Appendix A.

2. The Lease in this case appears at first a little unusual, in that it is one of 99 years from 25th March 1961, granted on 16th July 1964, to Mr Massey in his sole name, in consideration of £8,000 and an annual rent of £250, and followed an earlier agreement for a lease contingent on the construction of a house on the site to be demised. This 99 year lease ("the Lease") was on 5th July 1972 assigned by Mr Massey to himself and his wife. It is not disputed that on 16th October 1998 the Masseys gave notice to the Estate under the 1967 Act to acquire the freehold and that on 18th December 1998 the Estate admitted their claim. What is, however, disputed is whether the freehold falls to be valued for enfranchisement purposes on the basis that the house itself is to be disregarded as an "improvement", or whether, (as would normally be the case) the house, which had been built by the time the 99 year lease was granted to Mr Massey in 1964, is not an improvement, but part and parcel of the property of the property demised to him for a term of 99 years from 1961. In the circumstances a preliminary legal issue arose as to the resolution of this discrete matter. However, as at the date of the hearing the respective lawyers for the parties were still far apart on this point, and it was made clear that the legal issue would almost certainly be taken further regardless of any ruling by the Leasehold Valuation Tribunal, the Tribunal was asked to value the property for enfranchisement both on the basis that the house was, as well as that it was not, an improvement to be disregarded. This was so that in the event that the legal issue was later definitively decided at a higher level it would not be necessary to return to the Leasehold Valuation Tribunal to finalise the enfranchisement price.

The legal issue

3. The legal issue arose from the fact that the Lease to Mr Massey of 16th July 1964 granted a term of 99 years from 2nd June 1961, a date at which the house was not built, because the Lease was itself granted pursuant to an agreement of 2nd June 1961, which required Mr Massey to build the house in order to qualify for the grant of the Lease itself. For Mr Massey it is said that this meant that he had at all times an agreement for a lease, and under the equitable doctrine of Walsh v Lonsdale it is trite law that that agreement was for most purposes as good as the Lease from 2nd June 1961 which he subsequently obtained. For the Estate it is said that Mr Massey was at all times until actual grant of the Lease, some 3 years after the date of the agreement, merely a tenant at will, and not a tenant in equity, that the tenancy at will was deliberate and not a sham, and was for the good reason that Mr Massey had to build the house before he could obtain specific performance of the agreement for the lease. Alternatively, the Massey argument says, they do not need to rely on more than that the "improvements" on which they depend - namely the building of the house - were carried out by their predecessors in title, namely Mr Massey.

4. As the parties have requested the Tribunal to make two valuations - i.e. both on the basis that the house is and is not an improvement within the scheme of the 1967 Act - they see no point in adding to the existing debate on the present case law, since the leading (Lands Tribunal) authority to date, Rosen v Camden Charities [1999] 2 EGLR 213, is currently under appeal, and is likely to be heard by the end of the year. They are nevertheless of the view that s. 9(1A)(d) and s. 2(3) of the Act, and indeed the Act as a whole, presupposes the existence of a house of some sort, and it would in their opinion be contrary to the established domestic rules of statutory interpretation to disregard this point.

5. However, the advent into English law of the purposive European approach, flagged first by Lord Denning more than 20 years ago in relation to European Community law, suggests that there may now be a Human Rights aspect to the legal issue, which should be interpreted in the same purposive manner, so that in the face of a clear agreement to build the Tribunal is of the view that a tenant cannot realistically claim on enfranchisement (which is in effect a compulsory purchase for which the scheme of the Act seeks to compensate the landlord fairly) that the house itself, which is the obvious major benefit which the agreement was intended to confer on the landlord - in return for eventually granting a long lease - should ultimately be denied to that landlord.

6. It is a fact that the doctrine of Walsh v Lonsdale does not make an agreement for a lease as good as a lease for all purposes, and the Tribunal would hazard the opinion that enfranchisement under the 1967 Act is one of those. Moreover, while the Tribunal is of the view that Lands Tribunal decisions (and those of other Leasehold Valuation Tribunals, such as that which delivered a similar view of the scheme of the 1967 Act to their own in the case of 18 Norfolk Road NW8, Ref. LON/LVT/864/98) are only of persuasive authority and not binding on them in subsequent cases, the Tribunal nevertheless considers that it cannot be merely coincidence that other decisions have been made by those experienced in the enfranchisement field which tend to the view that the Act must be looked at as a whole. This would be the routine course even under the more restrictive approach to statutory interpretation of English law, without recourse to the European civil law approach which is appropriate to consideration of the impact of the Convention on Human Rights and Fundamental Freedoms, soon to be an integral part of English law when the Human Rights Act 1998 is implemented shortly.

7. The Tribunal is supported in this view by the following points:

(1) The Royal Commission of 1884-5 which originally considered leasehold enfranchisement looked for a fair outcome for both parties and reported that "legislation favourable to the acquisition on equitable terms of the freehold interest of the leaseholder would conduce greatly to the improvement of the dwellings of the people of this country". The White Paper on Leasehold Reform in 1966 (Cmnd 2916) was based on the political proposition that there is something basically unjust to tenants in the long leasehold system, because of the ordinary and ancient rule of land law that whatever is attached to the soil becomes part of it. ("Quicquid plantatur solo, solo cedit"). The building lease which ultimately left the leaseholder having to give up the bricks and mortar to the owner of the soil at the end of the lease without any compensation was the perceived evil which the Act addresses, by permitting the tenant to keep the house, but with compensation to the landlord.

(2) Article 1 of the First Protocol to the European Convention on Human Rights

and Fundamental Freedoms states: "Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law." The Grosvenor Estate has already unsuccessfully applied to Strasbourg to save such great estates from the social progress which the legislation advances by ruling against the scheme of the 1967 Act, but the Court concluded in their case, James v UK (1986) 8 ECHR, 123, that the valuation basis of the 1967 Act afforded a fair balance between the interests of society and the landlord's right to property. Academic analysis has addressed the fact that it would appear that even freeholders thus have human rights, noting that the Act itself states in s. 1(1) that acquisition is to be "on fair terms". Moreover, as the Act is an expropriatory statute, landlords argue that it should be construed strictly, although judicial comment by Goff LJ is that "too much weight should not be given" to that, and Lord Bingham of Cornhill, then Bingham LJ, has said on this point "In so far as there is a lacuna or authority in the Act, it is proper to bear the purpose of the Act in mind in endeavouring fairly to reflect the intentions of Parliament" : Woodruff v Hambro [1991] 1 EGLR 107, CA at 109F.

(3) In any event, according to Hague, Leasehold Enfranchisement, 3rd ed, 3-03, a tenancy in equity would not help Mr Massey because, if and where there was a specially enforceable prior agreement for lease, the term could only commence when the agreement became specifically enforceable, i.e. where there is an agreement to build when the house is constructed. Moreover such an agreement even including a draft of a lease does not constitute a binding contract for a lease: Leveson v Parfum Marcel Rochas (England) Ltd (1966) 200 EG 407, where the authorities are conveniently reviewed, as any lease only takes effect from completion of the works: Cornish v Brook Green Cleaners [1959] 1 QB 394, CA.

The hearing

8. At the hearing on 20th and 21st January 1999, the parties duly advanced their respective arguments in relation to the valuations on the two separate assumptions on which the Tribunal had been asked to determine the enfranchisement price. Evidence was also given in respect of the proposed covenant for use only as a single private dwelling house which the landlords wished to import from the lease into the freehold conveyance. Both sides conveniently provided proofs with numerous useful appendices, on which they were duly cross-examined, and this evidence was supplemented by counsels' oral argument, including helpful written skeletons of their final submissions. The Tribunal had the opportunity to inspect both the subject property and the location and exterior of the various comparables referred to by both sides before the conclusion of the hearing.

The inspection

9. The inspection took place on the morning of 21st January. The property was found to be a large brick built double fronted detached house on three floors, facing onto Avenue Road with Radlett Place along its north west boundary. It had a detached garage and the benefit of an "in and out" driveway. At the rear of the property was a well laid out walled garden. Although many of the internal fittings seemed to be original, the property appeared to have been well maintained both internally and externally.

10. The accommodation on the ground floor comprised a large drawing room, which

led on to a wide terrace and intercommunicated with a formal dining room, a smaller sitting room, breakfast or morning room and kitchen complete with walk in larder, together with various service rooms and cupboards off a spacious kitchen corridor. Each of the principal rooms was well proportioned and enjoyed good natural light. The first floor accommodation comprised four bedrooms with supporting bathrooms and WCs together with a further sitting room. On the second floor there were two more bedrooms, one of which was a large through room, together with a further bathroom and WC, a staff bedroom also with bathroom and WC and the main tank room. The accommodation at the rear of both the first and second floors enjoyed good views of the open space known as Primrose Hill.

11. The Tribunal then went on to view externally the various comparables.

The valuations

A. Freehold valuations

12. The valuers had submitted a Statement of Agreed Facts (annexed at Appendix A) setting out brief details of both freehold and leasehold sales of properties in support of their respective valuations (annexed at Appendix B and Appendix C), on the assumption that (a) the house does not constitute an improvement and (b) that it does constitute an improvement.

13. In the case of assumption (a) The Tribunal, having carefully considered the agreed comparables, gained most assistance from the sales of 25 Queens Grove and 23 Avenue Road. In the case of 25 Queens Grove both valuers had made the same adjustments to reflect the condition of that property. However, the Tribunal considered that the difference between the two valuers to be excessive in respect of the adjustments for the passage of time between the date of the sale and the date of valuation (16 October 1998) and for the location and the and the extent of the garden. In the case of 23 Avenue Road, the Tribunal made similar adjustments to the sale price and arrived at a similar value for the subject property. They adopted a figure of £3,575,000 as representing the value of the subject property as at the agreed date of valuation. Their valuation is at Appendix D.

B. Leasehold valuations

14. As to the leasehold value, the Tribunal gained most assistance from the first sale of 56 Avenue Road which took place in July 1998. It was only necessary to update the the figure to the date of valuation of 16 October 1998. It was agreed by both valuers that a deduction of 15% should be made to reflect the benefit of the Act, and thereafter to gross up to arrive at the freehold value. The Tribunal noted that the Gross Internal Area of 56 Avenue Road was nearly twice that of the subject proerty. The Tribunal considered that the figure of £400,000 advanced by Mr Briant on behalf of the freeholder did not fully reflect that property's poor condition. Accordingly the Tribunal determined that the Gross Development Value to be £6,250,000.

C. Site value

15. The Tribunal considered that the view of Mr Buchanan, on behalf of the leaseholder (that a figure of 40% should be adopted to arrive at the freehold value of

the site) was appropriate and determined the freehold value of the site at £2,500,000 and the leasehold value at £2,000,000.

Yield

16. In view of the location of the subject property in Avenue Road, a prime St Johns Wood site, the Tribunal considers that the appropriate rate for purposes of capitalisation of the ground rent to be 6%.

Decision

17. In accordance with the request of both parties, the Tribunal makes the following alternative determinations:

(a) on the basis that the subject property is not the tenant's improvement, £409,200 (four hundred and nine thousand two hundred pounds)

(b) on the basis that the subject property is the tenant's improvement £287,000 (two hundred and eighty seven thousand pounds).

The supporting alternative valuations are set out at Appendix D.

Terms of the Transfer

18. In relation to the disputed clauses, the Tribunal considered that the freeholder's proposals, i.e. that the transfer should contain a clause not to use or permit the property to be used otherwise than as a private dwelling house in one occupation, were appropriate, in that in proposing substitution of a qualified restriction in this respect the leaseholders had given insufficient weight to s. 10(5)(b) of the Act ("where the tenancy is or was one of a number of tenancies of neighbouring houses" consideration should be given to "the interests of those affected in respect of other houses"). In the Tribunal's view the part of St Johns Wood where the subject property is situated is still primarily a high class residential area comprising principally houses in sole occupation, and such a restriction would be for the benefit of the freeholder, leaseholders and former leaseholders alike in preserving the character of the neighbourhood.

CHAIRMAN..... *F R Burt*

DATE..... *7.4.00*

INTRODUCTION

This Statement of Agreed Facts has been prepared by Cluttons acting on behalf of the Landlord, The Trustees of The Eyre Estate, and agreed by Conrad Ritblat acting on behalf of the lessee, Mr and Mrs L Massey.

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

The issue to be determined by the Leasehold Valuation Tribunal is the enfranchisement price as at 16 October 1998, the date of the Notice of Claim, for the freehold under Section 9(1c) of the Leasehold Reform Act 1967.

The issues underlying the dispute as to the enfranchisement price are:

1. Whether or not the house constitutes an improvement under Section 9 (1A) (D) of the Act.
2. The Freehold and Leasehold value of the property;
 - i) on the assumption that the house does not constitute an improvement,
 - ii) on the assumption that the house does constitute an improvement.
3. The correct capitalisation and deferment rate ("the yield").

2. DETAILS OF THE ACT:

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 redecoration's 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: 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.

3. SUMMARY OF THE LEASE:

Notice Date: 16th October 1998

Term: 99 years from 25/03/61, to expire 25/03/2060.

Lessors: John Stephen Giles Eyre Esq., Walpole John Eyre Esq., Frederick Charles Eyre Esq., Michael Robert Giles Eyre Esq.

Lessee: Leslie Bernard Massey (Mr)

Consideration: £8,000

Ground Rent: £250 p.a. without review.

a) DESCRIPTION AND DIMENSIONS OF THE SITE

The site is 1,596 m², and faces onto both Avenue Road and Radlett Place, although vehicular and pedestrian access is by means of Avenue Road only. **Appendix 1** has an Ordnance Survey plan with the site highlighted in red.

b) DETAILS AND DESCRIPTION OF THE EXISTING PROPERTY

The property is a large 1960's brick built detached house on ground, first and second floors. The property is situated directly opposite the junction between Avenue Road and Acacia Road. There is large garden to the rear which extends around the whole house.

The house benefits from a large 'in and out' driveway and a garage.

Appendix 2 to this document has photographs of the external elevations of the property.

The parties have agreed the following areas on the basis of the accommodation which existed at the date of the Notice.

	(m ²)
Ground Floor	
Drawing Room	42.63
Dining Room	24.58
Kitchen	22.07
Plus	6.75
Morning Room	16.27
Utility	8.80
Study	22.79

First Floor

Bedroom 1	30.41
T V Room	25.62
Bedroom 2 En suite bathroom	24.95
Bedroom 3	24.90
Dressing Room	19.13

Second Floor

Bedroom 4	14.20
Bedroom 5	13.01
Bedroom 6 Plus	17.04 4.29
Bath/WC	
Games Room	48.40

EFFECTIVE FLOOR AREA **366m²/3,940sqft.**
(excludes bathrooms, wc's and circulation space)

c) TENANT'S IMPROVEMENTS

There are no tenants improvements to be considered, aside from the issue to be decided separately concerning whether the entire house is to be treated as a Tenant's improvement as claimed by the Lessee.

d) DETAILS OF PLANNING APPROVALS

Planning consent exists for the existing property.
The property is known to be located outside the St. John's Wood conservation area.

e) COMPARABLE EVIDENCE

The parties draw on the comparable transactions table reproduced in **Appendix 3**.
Photographs of the comparables are shown in **Appendix 4**.

f) MARRIAGE VALUE

The parties agree that marriage value should be shared on an equal basis.

Signed by Freeholder's Representative :-

J E C Briant

.....
J E C BRIANT, BA ARICS, CLUTTONS

Signed by Leaseholder's Representative :-

K G Buchanan

.....
K G BUCHANAN BSc ARICS, CONRAD RITBLAT

FIRST BASIS
(HOUSE IS NOT A TENANTS' IMPROVEMENT)

Appendix B
(Applicants' Valuations)

THE LEASEHOLD REFORM ACT 1967 (AS AMENDED)

34 AVENUE ROAD S 9(1c)

Valuation Date: 16/10/98

LEASE TERMS:

Lease commenced: 25/03/61
Lease to expire: 25/03/60
Unexpired Term: 61.48
Ground rent (pa) to review: £250

FHVP £3,700,000
Leasehold Value £2,886,000 78.00%

LANDLORDS INTEREST:

Term 1:

Ground Rent: £250
YP 61.48 @ 6% 16.2032
£4,051

Reversion:

FHVP Less improvements: £3,700,000
PV £1 61.48 @ 6% 0.0278
£102,883

£106,933

MARRIAGE VALUE:

FHVP: £3,700,000
Less
Landlords Interest: £106,933
Leasehold Interest: £2,886,000

Total Marriage Value: £707,067
Take 50% MV

£353,533

Freeholders interest:

£460,467

SECOND BASIS
(HOUSE IS A TENANTS' IMPROVEMENT)

THE LEASEHOLD REFORM ACT 1967 (AS AMENDED)

34 AVENUE ROAD

S 9(1c)

Valuation Date: 16/10/98

LEASE TERMS:

Lease commenced: 25/03/61
Lease to expire: 25/03/60
Unexpired Term: 61.48
Ground rent (pa) to review: £250

FHVP	£3,000,000	
Leasehold Value	£2,340,000	78.00%

LANDLORDS INTEREST:

Term 1:

Ground Rent:		£250	
YP	61.48 @	6%	16.2032
			£4,051

Reversion:

FHVP Less improvements:		£3,000,000	
PV £1	61.48 @	6%	0.0278
			£83,418

£87,469

MARRIAGE VALUE:

FHVP:	£3,000,000
Less	
Landlords Interest:	£87,469
Leasehold Interest:	£2,340,000

Total Marriage Value: £572,531

Take 50% MV £286,265

Freeholders interest: £373,735

SITE VALUE

THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

PROPERTY: 34 Avenue Road, London NW8

VALUATION DATE: October 1998

LEASE DETAILS

DATE
TERM 99 years from 1961
EXPIRY DATE 2060
UNEXPIRED TERM 62 years
GROUND RENT £250 per annum (fixed)

<u>VALUES</u>	<u>UNIMPROVED</u>
FHVP	£2.5m
UNEXPIRED TERM LESSEE'S IMPROVEMENTS	£2.05m

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM</u>	GROUND RENT	£250	
	x YP 62 years 6¼%	15.62	
			£3,905
<u>REVERSION</u>	Freehold Site value	£2.5m	
	x PV 62 years 6¼%	.023	
			<u>£57,500</u>
			Lessors interest £61,405
			But Say £61,500

MARRIAGE VALUE

	Freehold Site Value	£2.5m
Less	Lessor's Present Interest	£61,500
	Leasehold Site Value	£2.05m
		<u>£388,500</u>
Marriage Value		
	50% Marriage Value	<u>£194,250</u>
	TOTAL	£255,750

EXISTING HOUSE

THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

PROPERTY: 34 Avenue Road, London NW8

VALUATION DATE: October 1998

LEASE DETAILS

DATE
TERM 99 years from 1961
EXPIRY DATE 2060
UNEXPIRED TERM 62 years
GROUND RENT £250 per annum (fixed)

<u>VALUES</u>	<u>UNIMPROVED</u>
FHVP	£3.3m
UNEXPIRED TERM	£2.7m
LESSEE'S IMPROVEMENTS	

VALUE OF FREEHOLD PRESENT INTEREST

<u>TERM</u>	GROUND RENT	£250p.a.	
	x YP 62 years 6¼%	15.62	
			£3,905
<u>REVERSION</u>	FHVP (less improvements)	£3.3m	
	x PV 62 years 6¼%	.023	
			£75,900
		Lessors interest	£79,805
		But Say	£80,000

MARRIAGE VALUE

	FHVP (less improvements)	£3.3m	
Less	Lessor's Present Interest	£80,000	
	Lessees Interest (less improvements)	£2.7m	
			£520,000
Marriage Value			
	50% Marriage Value		£260,000
		TOTAL	£340,000

**FIRST BASIS
(HOUSE IS NOT A TENANTS' IMPROVEMENT)**

THE LEASEHOLD REFORM ACT 1967 (AS AMENDED)

34 AVENUE ROAD S 9(lc)

Valuation Date: 16.10.1998

LEASE TERMS:

Lease commenced:	25 March 1961
Lease to expire:	25 March 2060
Unexpired Term:	61.50 yrs
Ground rent (pa) to review:	£250

FHVP	£3,575,000	
Leasehold Value	2,860,000	80%

LANDLORDS INTEREST:

Term l:		
Ground Rent:	£250	
YP 61.50 @ 6%	<u>16.2032</u>	£4051

Reversion:

FHVP Less improvements:	£3,575,000	
PV £1 61.50 @ 6%	<u>0.0278</u>	<u>99385</u>
		£103,436

MARRIAGE VALUE:

FHVP:	£3,575,000	
<u>Less</u>		
Landlords interest: £ 103,436		
Leasehold interest: <u>£2,860,000</u>	<u>£2,963,436</u>	
Total Marriage Value:	£ 611,564	
Take 50% MV		<u>£305,782</u>

Freeholders interest:		<u>£409,218</u>
	say	<u>£409,200</u>

**SECOND BASIS
(HOUSE IS A TENANTS' IMPROVEMENT)**

THE LEASEHOLD REFORM ACT 1967 (AS AMENDED)

34 AVENUE ROAD

S9(lc)

Valuation Date: 16.10.1998

LEASE TERMS:

Lease commenced 25 March 1961
 Lease to expire: 25 March 2060
 Unexpired Term: 61.50 yrs
 Ground rent (pa) to review: £250

FHVP £2,500,000
Leasehold Value £2,000,000 80%

LANDLORDS INTEREST:

TERM 1:

Ground Rent: £250
 YP 61.50 yrs @ 6% 16,2032 £ 4051

Reversion:

FHVP Less improvements: £2,500,000
 PV £1 61.50 yrs @ 6% 0.0278 £ 69500 £ 73551

MARRIAGE VALUE:

FHVP: £2,500,000

Less

Landlords Interest: £73,551

Leasehold Interest: £ 2,000,000 £2,073,551

Total Marriage Value: £ 426,449

Take 50% MV £213,225

Freeholders interest:

say £286,776
£287,000