

4647



**FIRST - TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : BIR/00CN/OLR/2017/0046

Property : Flat 6 Elmwood Court & Garage
Persnore Road
Edgbaston
Birmingham B5 7PB

Applicant : Anthony Stokes and Sheila Ann
Stokes

Representative : West Midlands Surveys Limited
Michael W Murphy MRICS

First Respondent : WEL (No1) Limited

Representative : Bureau Limited
Mr Geraint Evans FRICS

Second Respondent : Irving Carter

Type of Application : Application under section 48
Leasehold Reform, Housing and
Urban Development Act 1993 for
the determination of the premium to
be paid for the grant of a new lease.

Tribunal Members : Judge T N Jackson
Mr V Chadha MRICS MCI Arb MBA

**Date and venue of
Hearing** : 28th July 2017
Centre City Tower, Birmingham

Date of Decision : 14 November 2017

DECISION

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The Tribunal determines that, taking into account the evidence adduced and the Tribunal's own general knowledge and experience, the price payable by the Applicants for the acquisition of the lease in the property in accordance with section 56 and Schedule 13 of the Leasehold Reform, Housing and Urban Development Act 1993 is **£32,635 to the First Respondent and £2,869 to the Second Respondent.**

Reasons for the Decision

Background

1. By Notice dated 7th November 2016, the Applicant claimed the right to acquire a new lease of the appeal property.
2. On 8th May 2017, the Applicant applied to the Tribunal, under the provisions of Section 48 of the Leasehold Reform, Housing and Urban Development Act 1993, ("the 1993 Act"), for determination of the price payable for the acquisition of a new lease and other terms of the acquisition. The form of lease was agreed in July 2017 and the hearing was to consider the issue of the premium only.

The Lease

3. The Head Lease is between Sir Richard Hamilton Anstruther-Gough-Calthorpe, the Rt Hon Ian St. John Baron Luke of Pavenham and William Herbert Harrison (1) and Elmwood Properties Limited (2). The Lease is dated 11th February 1962 for a term of 99 years from 25 March 1960.
4. The underlease is between Irving Carter (1) and Diana Joy Browning (2). The Lease is dated 26th July 1991 for a term expiring on 21st March 2059. The ground rent passing is £100 per annum and is reviewed on 24th March 2028 to £150 per annum. The unexpired term at the date of the Notice is 42.37 years.

Inspection

5. We inspected the property on 28th July 2017 in the presence of Mr Murphy for the Applicants and Mr Evans for the First and Second Respondents.
6. The appeal property is situated on a modern estate of similar aged properties on a main arterial road in a well - established residential area. It is a traditionally designed and constructed (brick and tile) three

bedroom second floor flat in a three storey block built in 1962. The property benefits from communal gardens and a garage contained in a separate block. The accommodation comprises hallway, kitchen, living room, bathroom with shower over and three bedrooms. The property is let to students and is in a fair condition.

7. The garage block has a garage access area. We noted that the garage roofs were flat. The garage block was generally in fair condition, although the garage for the appeal property had a leak and water had leaked into the interior.
8. The property has been rewired, fitted with modern upvc double glazing and the bathroom and kitchen fittings have been updated to a modest standard.
9. We took the opportunity to walk around the estate to note the properties referred to in the representatives' reports.

Hearing

10. A hearing was held on 28th July 2017. The Applicants did not attend but were represented by Mr Murphy. The First Respondent was represented by Mr Evans. In the absence of formal notification from the Second Respondent of the desire to be represented separately in the proceedings, the First Respondent was responsible for the conduct of proceedings for both itself and the Second Respondent.
11. At the hearing, Mr Murphy sought to amend his report as follows: in paragraph 5.4 to substitute £20,500 for £18,000; in paragraph 10.1 to substitute 7% for 4% and 77% for 78%. He provided an updated Appendix 5.4 to reflect the amendments. Mr Evans had no objection to the amendments. During the hearing, Messrs Murphy and Evans proposed amendments to their valuations. It was agreed that both representatives would submit final amended copies of their valuations after the hearing had concluded. The figures in this decision refer to the final amended figures so provided.
12. At the hearing, Mr Murphy introduced copies of the UK Cities House Price Index June 2017 and Graphs of Relativity. Mr Evans introduced a copy of the UK House Price Index for Birmingham from May 2015 to July 2017. We admitted all the documents.

Agreed matters

13. The following matters were apparently agreed between the parties:-
- a. Date of valuation - 7th November 2016
 - b. Unexpired term - 42.37 years
 - c. Ground rent - £100 per annum to 23 March 2028
-£150 per annum to expiry
 - d. Capitalisation - £1,352
 - e. Schedule 13 'other amount' - £3,171

Disputed matters

14. The following matters were in dispute:-
- a. Extended Leasehold Value
 - b. Relativity
 - c. Existing Leasehold Value
 - d. Value of Tenant's Improvements
 - e. Deferment rate
 - f. Deduction to reflect rights under Schedule 10 Local Government and Housing Act 1989
 - g. Deduction to reflect rights under the 1993 Act
 - h. Freehold Vacant Possession value
15. It was suggested at the hearing that the figure of £3,171 had been agreed by the parties as an amount to be paid under Schedule 13, although there seemed to be considerable doubt as to precisely what each party considered they were agreeing to. For instance, the initial Notice of Claim dated 7th November 2016 contained a paragraph saying 'I propose to pay a sum of £15,426 in respect of the grant of the new lease and £3,171 by way of other amounts under Schedule 13'.

16. In their Counter Notice, the Respondents indicated:

"2. The Reversioner accepts the following proposals contained in the Tenant's Notice:

- (i) The other amount proposed to be paid to the Intermediate landlord in accordance with Schedule 13 of the Act in addition to their share of the premium/marriage value of £3,171.

17. In relation to those matters in the Notice of Claim with which the Reversioner did not agree, the Reversioner made counter proposals including:

“4.....£1,133 to the Intermediate Landlord. For the avoidance of doubt these figures are additional to the other amount mentioned in paragraph 2(i) above”.

18. Furthermore, in the Application Form to the Tribunal completed by the Applicant, it states that the Applicant proposes a payment of £3,171 under Schedule 13 and the Respondent proposes a figure of £1,133.
19. Following the hearing, the Tribunal wrote to the parties on 7th September 2017 directing each of them to send written submissions detailing, (a) how the agreed sum of £3,171 had been calculated and (b) whether the above element was an issue for determination by the Tribunal.
20. In response, the Respondents confirmed that it was agreed between the parties that £3,171 should be paid to the intermediate landlord in accordance with Schedule 13 of the Act in addition to its share of the premium/marriage value and that the Tribunal therefore did not have any jurisdiction to consider that element. This was clearly contrary to the understanding of the Applicants whose solicitors wrote on 13th September 2017 indicating that the premium payable to the intermediate leaseholder should be £3,171 and that ‘no other premium should be made to the parties, save for costs’. They then enquired what additional payments the Respondents considered were payable under Schedule 13.
21. On 28th September 2017, the Applicants’ solicitors wrote to the Tribunal indicating that the sum of £3,171 had been agreed by way of other amounts in addition to the premium, and the premium payable to the intermediate landlord was for the Tribunal to determine.
22. Neither party offered an explanation as to where the figure of £3,171 had come from. As a consequence, on 28th September 2017, both were directed to provide appropriate details of how this figure had been calculated. The Respondents’ solicitors simply indicated that it was a figure which had been referred to in the original Notice of Claim and their clients saw no reason to disagree with it. The Applicants’ solicitors offered no explanation of how the figure had been calculated but suggested that the agreed figure was for the total of the freeholder’s legal and surveyor’s costs derived from the section 42 Notice.
23. The Applicants’ solicitors then wrote to the Tribunal on 24th October 2017 saying that the figure of £3,171 was the full amount for the premium/marriage value and any other money due to the intermediate

leaseholder's interest. They state that their client's surveyor believed that when discussing the figure, he was talking about the Respondent's costs, but was clearly mistaken.

24. Against this background, it seems clear to us that it would be inappropriate to rely on the apparent "agreement" between the parties concerning £3,171 since it is clear that there was no meeting of minds and the parties have completely different views as to what the agreement represented. The valuation has therefore been calculated without having regard to the figure of £3,171.

Evidence

Comparables

25. Details of the following properties were submitted as relevant to the assessment of existing and extended leasehold values.
26. Flat 1 Elmwood Court - a ground floor, two bedroomed flat with garage, double glazing, gas central heating and which had been modernized and rewired. It had an extended lease of 132 years and, in July 2017 was under offer for £140,000 and awaiting exchange.
27. Flat 5 Elmwood Court - the property is a mirror of the appeal property and is a ground floor, three bedroomed flat with garage and night storage heating. The decoration, kitchen and bathroom fittings were described as dated. It is long leasehold and was sold in May 2015 for £120,000. It was unclear whether the price included a premium for the extended lease or whether that was dealt with as a separate transaction. The property was currently under offer for £156,000 and had benefited from reconfiguration of the bathroom by turning the bath 90 degrees and fitting a new bathroom suite.
28. Flat 62 Elmwood Court - a ground floor two bedroomed flat with garage, double glazing and night storage heating in a low rise block and similar to Flats 1 and 69. It has a current lease of 44 years. It was sold with the current lease for £56,000 in September 2014. The property appeared to be in very poor repair.
29. Flat 69 Elmwood Court - a ground floor two bedroomed flat with garage, double glazing and storage heaters. It has a current lease of 44 years. The property had been on the market for cash offers only and there had been interest at £95,000 but which had not proceeded. The property was now under offer for just under £90,000, estimated at

approximately, £88,500. It was a cash buyer who was looking to extend the lease in 2 years.

30. The representatives disagree as to whether there is a difference in value between a ground floor flat and one on a higher level.

Extended leasehold value

31. Mr Murphy proposes an initial value of £139,500 based on the sales of Flats 1 and 5 Elmwood Court (with a subsequent reduction of £14,500 to reflect tenant's improvements and £6,875 to reflect Schedule 10 rights, equating to £118,000).
32. Mr Evans proposes a value of £155,500 based on the same comparables and having considered the difference in values between a two and three bedroomed flat and the growth in prices in flats and maisonettes in Birmingham from the date of valuation.

Relativity

33. Mr Murphy contends that the relativity between an existing lease and an extended lease based on Savills enfranchisement relativity graph is 72.4%. Mr Evans says that the RICS graphs show a relativity of 65.74%. He has considered the sales of Flats 1 and 62 which show a relativity of 67.86%.

Existing leasehold value

34. Mr Murphy submits that, in the absence of any actual sales, after applying the relativity to the extended lease value, the value of the current lease is £85,432, (and that the unimproved value is £79,500). Mr Evans submits that after applying the relativity of 67.86% to the extended lease value, the value of the current lease is £105,860.

Tenant's improvements

35. Mr Murphy refers to tenant's improvements including rewiring in 2005, refitted kitchen in 2014 and a refitted bathroom on an unknown date. Upvc double glazing was installed in 2004. He provided evidence of the costs of the kitchen, rewiring and double glazing and an estimate of the costs of the bathroom. He contends that a deduction of £14,500 should be made to reflect the tenants' improvements.

36. Mr Evans submits that there should be no deduction for tenant's improvements as he did not consider that any of the works amounted to an improvement. His view was that the kitchen and bathroom refits are basic. The double glazing is not an improvement due to the aggressive covenants within the lease which contain a "put and keep" clause. The rewiring is a repair rather than improvement. He also submits that it was the value of any improvements that had to be considered rather than their cost.

Capitalisation rate

37. Whilst there had originally been a dispute regarding the capitalisation rate, at the hearing the parties agreed on the sum of £1,352.

Deferment rate

38. Mr Murphy suggests a deferment rate of 6% based on rates derived from Midland Tribunal determinations of the past few years and the cases of *Cadogan v Sportelli* [2007] EWCA Civ 1042 and *Zuckerman v Trustees of the Calthorpe Estates* [2009] UKUT 235 (LC).

39. Mr Evans submits that the rate should be 5.00% to reflect the generic rate of 4.75% (including 2% Real Growth rate in PCL) and adding 0.25% from *Sportelli* to reflect the "basic" additional management for flats. He did not add 0.5% to reflect the relative lack of growth in the Midlands compared to PCL referred to in the *Zuckerman* case. He says that an analysis of the rate of growth at Kelton Court, (the property the subject of the *Zuckerman* decision), disclosed that it exceeded 2% and therefore went to the root of the decision in *Zuckerman* in which the Land Tribunal had been persuaded to deviate from *Sportelli*.

40. Mr Evans submitted a spreadsheet analyzing the sales evidence for 32 properties at Kelton Court and explained his methodology. His analysis reveals that the average real growth rate at Kelton Court was 2.44%, well ahead of the 2% envisaged in *Zuckerman* and Mr Evans contends therefore that a hypothetical purchaser would not make an adjustment to reflect a lack of real growth in the Midlands.

41. Mr Evans used the LEASE graph for the exercise but notes that *Contactreal Limited v Smith* [2017] UKUT 0178 suggests that it is inappropriate to use that graph as it perpetuates its own evidence. Using an average of RICS graphs for Greater London and England and using as an example 2 Kelton Court, the LEASE graph would show a real growth rate for that property of 2.54% but using the RICS figure would produce a real growth rate of 2.58% i.e. higher.

42. Mr Evans submits that a similar analysis had been carried out in the case of 7 *Grange Crescent, Halesowen* [2014] UKUT 0079, (as confirmed by the Court of Appeal in *Sinclair Garden Investments (Kensington) Limited v Ray* [2015] EWCA Civ 1247). Mr Evans asserts that the Upper Tribunal had accepted that real growth at that specific location had exceeded 2% and therefore the .5% *Zuckerman* adjustment was not made.
43. Mr Evans had not done an analysis of the Elmwood Court development as the work was resource intensive. However the analysis was of the Kelton Court properties, the subject of the *Zuckerman* case and from which the 0.5% "*Zuckerman*" adjustment had arisen.
44. At the hearing, Messrs Murphy and Evans agreed that there was no adjustment required for obsolescence or deterioration, although we note that Appendix 9.1 of Mr Murphy's submission includes an element of 0.25% for obsolescence.

Deduction to reflect rights under Schedule 10 Local Government and Housing Act 1989

45. Mr Murphy suggests that the appropriate deduction to reflect the risk of there being a sitting tenant claiming occupational rights at the expiry of the current lease is 5.5%
46. Mr Evans disagrees in principle with such a deduction and maintains his expert opinion that it is zero. However, rather than run again the argument he concedes that he has lost several times, he suggests that if there is to be a deduction, then it should be 2.5% in line with *Contactreal*. He also submits that any such deduction should be made once in the valuation, not twice, as appeared to be the case in Mr Murphy's calculation.

Deduction to reflect rights under the 1993 Act

47. Mr Murphy contends that following *Nailrie Ltd v Cadogan* [2009] 2 *EGLR*, the deduction should be 7%.
48. Mr Evans refers to the case of *Denholm v Stobbs* [2016] UKUT 0288 (LC) in which the Upper Tribunal considered the relativity of an unexpired lease of 43.37 years and assumed a 10% deduction for Act rights. Mr Evans states that as the lease of the appeal property is

exactly a year shorter than in *Denholm*, in his judgement, 10.2% is the appropriate deduction.

Freehold Vacant possession value

49. The unexpired term at the date of Notice is 42.73 years. The new lease will be for a term expiring 90 years after the term date, making a total lease length of 132.73 years. Mr Murphy contends that that principle of applying an adjustment to the long leasehold value to arrive at a freehold equivalent does not apply in the Midlands. Mr Evans, following *Contactreal*, contends that there should be an uplift of 1%.
50. Based on the above factors, Mr Murphy's valuation of the price payable for the grant of a new lease was £25,000 whereas Mr Evans' valuation was £42,051.

Deliberations

51. References were made to previous First Tier Tribunal decisions. We are not bound by previous decisions and consider each case on its merits. We gave full consideration to the evidence and submissions made on behalf of both parties.
52. We accept the date of valuation, the unexpired term at the date of valuation, the ground rent and capitalization figure as detailed in paragraph 13 above.

Comparables

53. Mr Murphy had made adjustments in his comparables analysis to reflect the difference in value due to the floor position of one ground floor flat but not the other. Due to this inconsistency, we view the calculations in the comparables analysis in Appendix 7.1 with caution.
54. Mr Murphy had made adjustments to reflect a difference in value between ground and higher floors.

Extended Leasehold value

55. We prefer evidence of actual sales where that exists rather than the use of indices which cover a large geographical area and can be considered as "broad brush". We had regard to the values of Flats 1 and 5 Elmwood Court regarding extended leases and Flats 62 and 69 Elmwood Court regarding current leases but considered the evidence to be of limited value as three of the four relate to prices "under offer" which may not

materialize. The other comparable related to a sale 3 years ago of a property described to be in very poor repair.

56. We had regard to the differing methods adopted by Messrs Murphy and Evans and to the comparables referred to. On this three storey block, we do not consider that there is a difference in value between a ground and higher floor flat. Whilst some tenants may prefer the ground floor due to easy access and access to the communal gardens, other tenants may prefer the extra security of being on a higher floor.
57. Having made appropriate adjustments for the difference in number of bedrooms, the length of the leases, the condition of the properties and the change in capital value between the date of sale and valuation date), and using our expert knowledge, we determine that £155,000 is an appropriate figure for the extended leasehold value, inclusive of Tenant's improvements,(see paragraph 65 below re tenant's improvements).

Existing Leasehold value

58. We considered the relativity graphs provided by the parties. We also considered the Graphs of Relativity which provides four separate graphs namely 2009 RICS PCL; 2009 RICS Greater London and England: Published Research and 2015 data. All the graphs have their limitations, ranging from the age of the information e.g.1992, the restricted geographical location of the firms included in the 2009 RICS Greater London and England Graph and also an apparent bias towards PCL in the 2015 data as some of the figures are the same as for PCL. Doing the best we can with the available figures, we consider that Mr Murphy is too high and Mr Evans is too low and that the relativity should be 71%.
59. Having regard to the evidence and the Tribunal's expert knowledge, we determine that £106,500 is an appropriate figure for the existing leasehold value.

Value of Tenant Improvements

60. We do not accept Mr Evans' submission that the requirements of Clauses 4, 6 and 9 of the Sixth Schedule of the Lease require such a high duty of maintenance that the effect is to convert any works carried out from an improvement to a repair. The clauses are not unusual in their drafting and are commonplace in leases.

61. We consider that double glazing is an improvement and not a repair. It increases the value of a property for a range of reasons including heat efficiency and noise insulation. We find that the value of this improvement is £3000.
62. We find that the kitchen refit in 2014 is an improvement rather than a repair although accept, based on our inspection, that it is to a modest standard. We find the value of this improvement to be £2000.
63. We were not provided with evidence as to why the property had been rewired. We noted the age of the property. In the absence of any evidence to the contrary, we find that the rewiring was a repair rather than improvement.
64. There was a lack of evidence as to when the bathroom had been refitted and it did not form part of Mr Murphy's schedule of tenant improvements on Appendix 4.6, although it was included within a combined figure with the kitchen at Appendix 7.1. The inspection showed the bathroom to be fitted to a modest standard. Based on the available evidence, we do not attach a value to this improvement.
65. We find that the total value of tenants' improvements is £5000.

Deferment rate

66. Having regard to *Sportelli*, we took as our starting point the generic rate in PCL of 4.75% for houses increased by 0.25% to reflect the additional basic additional management of flats. The generic rate is comprised of a risk free rate of 2.25% less real growth at 2% plus a risk premium of 4.5%.
67. The parties had agreed that there did not need to be an adjustment to reflect deterioration or obsolescence.
68. Mr Evan's argument that there should be no adjustment to reflect relative lack of long term growth in the Midlands compared to PCL was attractive in principle.
69. However, the evidence to support the argument was based on properties in Kelton Court and not the development in which the appeal property was situated. The analysis does not reveal any sales between the commencement of the leases in 1974/5 and March 1995, which, in the absence of specific evidence, we consider to be unlikely in a 20 year period. The analysis considers 32 flats, and yet there were 36

flats at Kelton Court and therefore the analysis appears incomplete. The analysis covers a relatively short period of time of sales, namely 22 years. We have not been provided with the comparable analysis for properties in PCL during the same period in order to make an assessment as to whether there was a difference in the real rate of growth and whether it was so significant as to require an adjustment one way or another.

70. For the reasons above, we do not consider the analysis to be sufficiently robust or reliable such as to persuade us to depart from the rationale and evidence base of the *Zuckerman* adjustment. We are not satisfied that we have a reliable indication of a long term movement in residential value sufficient to justify a departure from the *Sportelli* starting point. On the basis of the analysis, we are not persuaded that the difference between the past rates of long term growth in PCL and in Elmwood Court was slight and such that an investor would not require an increase in the risk premium.
71. We determine that the appropriate deferment rate is 5.5%, comprising the generic rate of 4.75%, adding 0.25% from *Sportelli* to reflect the basic additional management for flats, and 0.5% to reflect the relative lack of growth in the Midlands compared to PCL.

Deduction for Schedule 10 rights

72. We found nothing in the submissions to lead us to depart from the decision in *Contactreal Limited* and we find that it is right that a deduction should be made. We consider that the longer the unexpired term, the lower the percentage of the deduction that should be made.
73. In *Midlands Freeholds Limited re Mallaby Close [2014] UKUT 0304 LC*, there were 60 years unexpired and the Upper Tribunal applied a 4% deduction. In *Contactreal Limited*, there were 67.49 years unexpired and the Upper Tribunal applied a nominal 2.5% deduction due to the circumstances of the particular property. In the present case there are 42.37 years unexpired. Having regard to Upper Tribunal decisions and to the lack of factors in this case that would suggest a tenant on expiry would not want to remain in possession, we find that the deduction should be 3.25%.

Deduction for 1993 Act rights

74. We are persuaded by the submissions that a discount is applicable having regard to the Upper Tribunal decisions referred to. Having had

regard to *Contactreal Limited* (67.4 years unexpired which attracted a 3.5% deduction) and *Denholm* (43.37 years unexpired attracting a 10% deduction) and using our expert knowledge, we find that a deduction of 10 % is appropriate.

Freehold vacant possession value.

75. Having regard to *Contactreal Limited*, we find that the relativity of a lease, however long, will not be 100% of an equivalent freehold. Having had regard to the range of relativities referred to in paragraph 98 of *Earl of Cadogan v Erkman [2011] UKUT 90 (LC)*, and in the absence of any evidence to persuade us to depart from the range referred to, we find that the appropriate relativity for a lease of 132.73 years is 99%. We determine there should be an uplift of 1%.

Determination

76. We determine that the price payable for the grant of the lease is £32,635 to the First Respondent and £2,869 to the Second Respondent in accordance with the attached valuation.

Appeal

77. Any appeal against this decision must be made to the Upper Tribunal (Lands Chamber). Prior to making such an appeal the party appealing must apply, in writing, to this Tribunal for permission to appeal within 28 days of the date of issue of this decision stating the grounds on which that party intends to rely in the appeal.

Judge T N Jackson
First Tier Tribunal

6 Elmwood Court, Pershore Road, Edgbaston, Birmingham
Valuation

1. Diminution in Freeholder's interest:

(1) Value of existing freehold interest:

Apportioned Ground rent:	£2.96	
YP 42.37 years at 2.25%	<u>27.1325</u>	
		£ 80

Add:

Reversion to f/hold VP value:	£151,500	
(£150,000 [net of Tenant's improvements] x 101%)		

Less:

3.25% for Sch 10 rights:	£ 4,924	
	£146,576	
PV £1 in 42.37 years @ 5.5%:	<u>0.1036</u>	
		<u>£15,171</u>
		£15,251

(2) Value of proposed freehold interest:

Reversion to:	£151,500	
PV £1 in 132.37 years @ 5.5%	<u>0.00084</u>	
		<u>£ 127</u>

£15,378

2. Diminution in H/leaseholder's interest

Agreed at: £1,352

Total diminution in f/hold and h/leasehold interests:

Freehold:	£15,378	
H/leasehold:	<u>£ 1,352</u>	
		£16,730

3. Marriage Value

(1) Value of proposed interests:

Freehold:	£	127	
H/leasehold	£	0	
Leasehold:		<u>£150,000</u>	
			£150,127

(2) Value of present interests:

Freehold:	£	15,378	
H/leasehold:	£	1,352	
Leasehold:	£	<u>95,850</u>	
(£106,500 less 10% benefit of Act)			<u>£112,580</u>

Marriage value: £ 37,547

50%: £18,774

4. Apportionment of Total Premium

Apportionment to Freeholder: £15,378/£16,730 = 91.92%

Apportionment to H/leaseholder: £ 1,352/ £16,730 = 8.08%

Freehold:

(a) Diminution: £15,378

(b) Marriage value [91.92%]: £17,257

£32,635

Headleasehold:

(a) Diminution: £ 1,352

(b) Marriage value [8.08%]: £ 1,517

£ 2,869

Premium to Freeholder: £32,635

Premium to Headleaseholder: £ 2,869