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Ref LON/LVT/704

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: The Trustees of the Eyre Estate

Respondent: Mr M A J Dangoor

RE: 44 Springfield Road, NW8

Date of Tenant's Notice: 21st October 1996 (UXT 39.7 years)

Application to Tribunal dated: 14th May 1997

Heard: 5 February 1998 (Inspection 25th February 1998)

Appearances: Mr J E C Briant BA ARICS for the applicant (landlord)

Mr C S R Marr-Johnson FRICS for the respondent (tenant)
Mr M A J Dangoor (respondent)

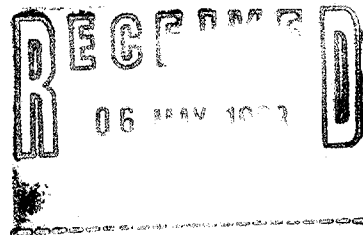
Members of the Leasehold Valuation Tribunal:

Mrs J McGrandle BSc (Est Man) ARICS MRTPI
Mr G I Coe BSc (Est Man) FRICS
Mr D Myer-Smith

(Chairman)

Date of valuation: 21st October 1996

Date of Tribunal's decision 8 April 1998.



- 3) The value of the leasehold interest
- 4) Yield

4.2. A valuation prepared by Mr Briant for the freeholder is attached as Appendix 2 and a valuation prepared by Mr Marr-Johnson for the tenant is attached as Appendix 3. Proposed enfranchisement prices were as follows:

	£
Mr Briant	317,500
Mr Marr-Johnson	131,792

1) Improvements

4.3. We were supplied at the hearing with various sets of floor plans from which it was possible clearly to distinguish the extensions to the property carried out firstly in the early 60's (ground floor study/first floor dressing room) and secondly in the early 80's (breakfast room) plus a conservatory added by Mr Dangoor post-1996. All these extensions had been reflected in the parties' agreed unimproved floor area (163m²).

4.4. Our subsequent inspection did not reveal any other improvements which would materially affect our valuation.

2) The value of the freehold interest

4.4. Mr Briant proposed an unimproved value of £1,350,000 and relied on the nine comparables set out in Appendix 1. These houses ranged in price from £1,650,000 down to £900,000 and in transaction dates from May 1996 through to May 1997. Some details were amended during the course of the hearing.

4.5. Mr Marr-Johnson proposed an unimproved value of £1,100,000 and relied on the same set of comparables plus two further transactions in Abercorn Place.

4.6. Inevitably therefore the difference between the parties' figures was due to adjustments made by each valuer to the respective sale prices to reflect differences in location: size: condition: amenities : transaction date between the comparable transactions and 44 Springfield Road, the subject property.

4.7. Of the 11 comparables put forward, we discounted the two in Abercorn Place because the details had not been agreed and we attached little weight to the four transactions in Carlton Hill because these houses were quite different in age and style to the subject property. Of the remaining 5 comparables, it was immediately apparent that they were on the whole much larger than the subject property, due no doubt to post-war extensions which we had of necessity to ignore.

4.8. No clear pattern of values emerged, in part due to the rapidly changing market between 1996 and 1997, as witnessed in the index produced by Mr Marr-Johnson.

location is one which we would regard as somewhat superior or there is a prospect of ground rental growth, in either case making the investment more attractive.

4.17. In this particular case there is a fixed ground rent.

4.18. The Tribunal took account of Mr Dangoor's evidence as an expert, but not independent, witness and accepted that a freehold reversion in Springfield Road might not offer any potential for redevelopment, especially given conservation area constraints. However, they could not accept that yield rates on commercial property in Swiss Cottage were material to this case.

4.19. The Tribunal decided that a yield of 7% was appropriate to reflect the fact that Springfield Road, though highly desirable, was not an absolutely prime St John's Wood location and that the investment had no potential for growth.

5. DETERMINATION

5.1. Accordingly, we determine that the price to be paid for the freehold in possession of 44 Springfield Road, NW8 is £230,750 in accordance with our valuation attached as Appendix 4.

CHAIRMAN.....

J. McGrandle

DATE.....

8 April 1998.

44 SPRINGFIELD ROAD, LONDON NW8

Schedule of Comparables

ADDRESS	TYPE OF PROPERTY	APPROX. 'A' AREA	ACCOMMODATION / AMENITIES	TENURE / LEASE LENGTH	GROUND RENT	PRICE	DISPOSAL DATE
SUBJECT PROPERTIES							
44 SPRINGFIELD ROAD Valuation date: 21/10/96	Detached double fronted Georgian style house.	Unimproved 163 m ² -- 1,754 sq ft GIA 280 m ²	INTERNAL : 4 Bedrooms, 3 bathrooms, study, 2 reception rooms, kitchen / breakfast room, guest cloakroom, playroom, maid's room. EXTERNAL : Garage, OSP 1	99 year lease from 24/6/1937 expiring 24/6/2036, unexpired term 39.75 years.	£90 pa for the remainder of the term.	£755,000	5th July 1993
FREEHOLD COMPARABLES							
57 HAMILTON TERRACE	Detached period house of brick construction under a slate roof.	201 m ² 2,163 sq ft	INTERNAL : 5 bedrooms, 3 bathrooms (1 en suite), Kitchen, family room, staff bedroom, bathroom, drawing room, dining room, study EXTERNAL : Rear garden overlooked by the Telephone exchange. No provision for OSP	FREEHOLD	N/A	£1,425,000	December 1996
37 LOUDOUN ROAD	Detached red brick house.	141 m ² 1,516 sq ft	INTERNAL : 6 bedrooms, dressing room, 3 bathrooms, 3 reception rooms, kitchen, utility room, cloakroom. EXTERNAL : Garage, OSP 1	FREEHOLD	N/A	£900,000	May 1997
8 ST JOHN'S WOOD PARK	A low brick built detached house arranged over three floors.	278 m ² 2,992 sq ft	INTERNAL : 5 Bedrooms, Games room, Study, 3 reception rooms, kitchen, utility room, guest cloakroom, Games room. EXTERNAL : Double Garage, OSP 3.	FREEHOLD	N/A	£1,400,000	August 1996
12 ST JOHN'S WOOD PARK	Low built detached Neo-Georgian house	173 m ² 1,862 sq ft	INTERNAL : Entrance hall, guest cloakroom, 3 reception rooms, kitchen/breakfast room, utility room, 6 bedrooms, 3 bathrooms (2 ensuite), 2 shower room EXTERNAL : OSP 2.	FREEHOLD	N/A	£1,160,000 £981,500	January 1996 September 1996

44 SPRINGFIELD ROAD, LONDON NW8

Schedule of Comparables

ADDRESS	TYPE OF PROPERTY	APPROX. 'A' AREA	ACCOMMODATION / AMENITIES	TENURE / LEASE LENGTH	GROUND RENT	PRICE	DISPOSAL DATE
SUBJECT PROPERTIES							
44 SPRINGFIELD ROAD Valuation date: 11/10/96	Detached double fronted Georgian style house.	Unimproved 163 m ² GIA 280 m ²	INTERNAL : 4 Bedrooms, 3 bathrooms, study, 2 reception rooms, kitchen / breakfast room, guest cloakroom, playroom, maid's room: EXTERNAL : Garage, OSP 1	99 year lease from 24/6/1937 expiring 24/6/2036, unexpired term 39.75 years.	£90 pa for the remainder of the term.	£755,000	5th July 1993
LEASEHOLD COMPARABLES							
2 LANGFORD PLACE	A 1930's detached 2 storey double fronted house.	203 m ² 2185 sq ft	INTERNAL : Entrance Hall, Guest Cloak, Drawing room, Dining room, Family Room, Kitchen/Breakfast room, 5 bedrooms Dressing area, 3 bathrooms (1 en suite), utility room, cellar storage. EXTERNAL : Paved forecourt, 1 OSP, Internal garage, rear garden	Lease for a term of 99 years from 25/3/34, expiring 25/3/2033. Unexpired term 36 years.	£80 p.a.	£942,500 With benefit of Claim	31/1/97
58 QUEEN'S GROVE	A low built red brick 1930's house	164 m ² 1767 sq ft	INTERNAL : 5 bedrooms , 1 dressing room, 3 bathrooms (1 en suite), guest WC, 2 reception rooms, kitchen/ breakfast, utility, separate WC. EXTERNAL : Garage , rear garden, off street parking.	99 year lease from 29/9/33, expiring 29/9/2032. Unexpired term 36 years.	£75 p.a. during the residue of the term.	£795,000	October 1996
58 SPRINGFIELD ROAD	A low built red brick 1930's house	267 m ² 2874 sq ft	INTERNAL : 7 bedrooms , dressing room, 3 bathrooms (1 en suite), guest WC, 3 reception rooms, kitchen/ breakfast, sun room, morning room EXTERNAL : Garage , OSP 1.	99 year lease from 24/6/37, expiring 24/6/2036. Unexpired term 39 years.	£90 p.a. during the residue of the term.	£1,250,000	June 1997
58 SPRINGFIELD ROAD	A low built red brick 1930's house	224 m ² 2411 sq ft	INTERNAL : 6 bedrooms, dressing room, 3 bathrooms (1 en suite), 3 reception rooms, kitchen/breakfast room, store room, utility room, cloakroom EXTERNAL : Garage OSP 1.	99 year lease from 29/9/33, expiring 29/9/2032. Unexpired term 38 years.	£90 p.a. during the residue of the term.	£1,275,000	July 1997
54 SPRINGFIELD ROAD	Red brick detached property.		DETAILS NOT PRODUCED	99 year lease from 29/9/56, expiring 29/9/2055. 62 years unexpired	£100 p.a.	£950,000	October 1995

44 SPRINGFIELD ROAD, LONDON NW8

Schedule of Comparables

ADDRESS	TYPE OF PROPERTY	APPROX. 'A' AREA	ACCOMMODATION / AMENITIES	TENURE / LEASE LENGTH	GROUND RENT	PRICE	DISPOSAL DATE
SUBJECT PROPERTIES							
44 SPRINGFIELD ROAD Valuation date: 1/10/96	Detached double fronted Georgian style house.	Unimproved 163 m ² GIA 280 m ²	INTERNAL : 4 Bedrooms, 3 bathrooms, study, 2 reception rooms, kitchen / breakfast room, guest cloakroom, playroom, maid's room. EXTERNAL : Garage, OSP 1	99 year lease from 24/6/1937 expiring 24/6/2036, unexpired term 39.75 years.	£90 pa for the remainder of the term.	£755,000	5th July 1993
FREEHOLD COMPARABLES							
10 CARLTON HILL	Semi detached period house divided into 3 separate flats.	202 m ² 2174 sq ft	INTERNAL : Could provide following refurbishment : 5 bedrooms, 4 bathrooms, 4 reception rooms, kitchen.	FREEHOLD	N/A	£1,300,000	May 1997
11 CARLTON HILL Part on FRI Leases	Semi detached period house	254 m ² 2734 sq ft	INTERNAL : 6 bedrooms, 4 bathrooms (3 en suite), dressing room, double reception room, music room, kitchen/breakfast room, dining room, conservatory, study, shower room, utility room, cloakroom. EXTERNAL : OSP 2	95 yr UXT was assigned	N/A	£1,650,000	May 1997
14 CARLTON HILL	Double fronted detached period house with stucco elevations.	183 m ² 1964 sq ft	INTERNAL : 5 bedrooms, dressing room, 2 bathrooms, shower room, work room, double aspect drawing room, dining room, kitchen/breakfast room, cloakroom. EXTERNAL : OSP 3, rear garden	FREEHOLD	N/A	£1,000,000	February 1996
12 CARLTON HILL	A detached period house.	202 m ² 2174 sq ft	INTERNAL : 6 bedrooms, 4 bathrooms, 3 reception rooms, kitchen/breakfast room, staff accommodation, cloakroom. EXTERNAL : OSP 2, garden, 2 garages	FREEHOLD	N/A	£1,250,000	December 1996
14 GROVE END ROAD	Low built detached double fronted Georgian house.	275 m ² 2960 sq ft	INTERNAL : 8 bedrooms, 3 bathrooms, drawing room, dining room, kitchen, TV room, utility room, music room, playroom. EXTERNAL : Carriage driveway providing off street parking for at 5 cars.	FREEHOLD	N/A	£1,325,000	May 1996

44 SPRINGFIELD ROAD S 9(1c)

Valuation Date: 21/10/96

LEASE TERMS

Lease commenced: 24/06/37
 Lease to expire: 24/06/36
 Unexpired Term: 39.70
 Ground rent (pa): £90

FHVP £1,350,000 62.96%
 Leasehold Value £850,000

LANDLORDS INTEREST

Term 1:
 Ground Rent: £90
 YP 39.70 @ 6% 15.0179

£1,352

Reversion:
 FHVP Less improvements: £1,350,000
 PV £1 39.70 @ 6% 0.0989

£133,554

£134,905

MARRIAGE VALUE:

FHVP: £1,350,000
 Less
 Landlords Interest: £134,905
 Leasehold Interest: £850,000

Total Marriage Value: £365,095

Take 50% MV £182,547 £182,547

Leaseholders interest: £1,032,547

Freeholders interest: £317,453

Say £317,500

Michael Dangoor Esq**Leasehold Reform Acts 1967 & 1993****44 Springfield Road, London NW8**

<u>Freehold Valuation as at</u>	Oct 1996 claim	Jun 2036 expiry	
Ground rent per annum:			£90
Years' purchase for: 39.7 years at	7.5%		<u>12.58</u>
			£1,132
Reversion to fully repaired but unimproved value, freehold with vacant possession		£1,100,000	
Present value of £1 after: 39.7 years at	7.5%	<u>0.056774</u>	
			<u>£62,452</u>
Open market value of landlords' interest			£63,584
Marriage Calculation			
Freehold as above		£1,100,000	
less freeholders' interest	£63,584		
and lessee's interest @ (ignoring the right to claim)	<u>£900,000</u>		
		<u>£963,584</u>	
Total marriage value		£136,416	
Landlords' share @ 50%		<u>0.5</u>	
			<u>£68,208</u>
Enfranchisement price exclusive of costs			<u>£131,792</u>

C S R Marr-Johnson

5th February 1998

LON/LVT/704

LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993**44 SPRINGFIELD ROAD, ST JOHN'S WOOD, LONDON, NW8**

Valuation date: 21st October 1996

Value of Lessor's Present Interest

Ground Rent receivable, per annum	£90	
YP 39.7yrs @ 7%	13.3	
		£1,197

Reversion

Freehold interest excluding tenant's improvements	£1,250,000	
Deferred 39.7years @ 7%	0.0682	
		£85,250

Value of lessor's interest		£86,447
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Lessor's share of marriage value

Freehold interest - as above	£1,250,000	
Less :		
Value of lessee's interest	£875,000	
Value of lessor's interest - as above	£86,447	
Marriage Value	£961,447	£288,553
50% to lessor		£144,276

Total	£230,723
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<u>Enfranchisement Price</u>	Say	£230,750
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