2024

CHI/24UG/OCE/2010/0005

LEASEHOLD VALUATION TRIBUNAL FOR THE SOUTHERN RENT ASSESSMENT PANEL

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION UNDER SECTION 24 OF THE LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

Premises:	**Blocks A, B, C & D, 42 - 100 Tamworth Drive, Fleet, Hampshire GU51 2UP**
Applicant:	**Tamworth Gardens Properties Ltd.**
Respondent:	**Charles Gallagher Ltd.**
Inspection:	**3 August 2010**
Heard:	**3 August 2010 at Rushmoor Borough Council, Farnborough Road, Farnborough, Hampshire**
Appearances:	**For the Nominee Purchaser:** Mr P.S.T.Petts Counsel Mr C.D.Moore FRICS of Messrs Haslams Mr P.Just of Messrs Dexter Montague LLP (solicitors)
	For the Landlord: Mr R.Gist Counsel Mr T.J.P.Reeve FRICS of Charles Gallagher Ltd Mr A.P.Gribbon MRICS IRRV of Gribbon & Pelham Mr A.Jarvis of Messrs Dickens Shiebert (solicitors)
Tribunal Members:	**Mr D.L.Edge FRICS Chairman) Mr D.Agnew BA LLB LLM Mr D.Lintott FRICS**

Valuation Date: 19 June 2009

Tribunal's determination: £259,902 for Blocks A, B, C & D

Date of Tribunal's decision: 30 August 2010

CHI/24UG/OCE/2010/0005

BLOCKS A, B, C & D 42 - 100 TAMWORTH DRIVE, FLEET, HAMPSHIRE GU51 2UP

BACKGROUND

1. This was an application by the Nominee Purchaser under Section 24 of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act') for a determination by the Tribunal of the price to be paid for the freehold interest in the above property.

2. An inspection of the property took place on the morning of 3rd August 2010 at which the following were present. For the Applicant, Mr P. Petts of Counsel, and Mr C. D. Moore FRICS. No one attended for the Respondent. In addition Mr R. Chillman of 46 Tamworth Drive was present and he showed both the tribunal and the Applicant's representatives one flat of each type on the development, namely Flats 56, 72 and 50.

THE FACTS

3. On the basis of the numerous documents produced and the evidence and submissions tendered and made at the hearing, the Tribunal found the following facts: -

   a. The property (Blocks A, B, C, & D) consists of a development of four 3-storey blocks of 30 flats built about 18 years ago by Matthew Homes Limited, and situated on a large, mainly residential estate known as Ancells Farm to the north of Fleet town centre.

   b. Blocks A and D comprise 6 two bedroom, two bathroom flats (Type A).
   Blocks B and C each comprise 6 two bedroom, 1 bathroom flats (Type B) and 3 one bedroom, one bathroom flats (Type C).

   c. The date of the four Initial Notices under S.13 was 19 June 2009, and of the four Counter Notices under S.21, 18 August 2009.
   It was agreed by both valuers that the date of the valuation would be the date of the Initial Notice, 19 June 2009.

   The price specified in the Initial Notice in respect of Block A was £23,550 plus £2,712.50 for the additional land, and £1.00 for the leasehold interest created by the lease dated 15 October 1990 between Charles Gallagher Limited and Firtown Property Management Limited
   The Counter Notice for Block A proposed a price of £62,150 for the Specified Premises and additional land.

   The price specified in the Initial Notice in respect of Block B, was £32,612.50 plus £3,625.00 for the additional land, and £1.00 for the leasehold interest created by the lease dated 15 October 1990 between Charles Gallagher Limited and Firtown Property Management Limited

The Counter Notice for Block B proposed a price of £88,000 for the Specified Premises and additional land.
The price specified in the Initial Notice in respect of Block C, was £32,612.50 plus £3,625.00 for the additional land, and £1.00 for the leasehold interest created by the lease dated 15 October 1990 between Charles Gallagher Limited and Firtown Property Management Limited
The Counter Notice for Block C proposed a price of £90,500 for the Specified Premises and additional land.

The price specified in the Initial Notice in respect of Block D was £23,550 plus £2,712.50 for the additional land, and £1.00 for the leasehold interest created by the lease dated 15 October 1990 between Charles Gallagher Limited and Firtown Property Management Limited
The Counter Notice for Block D proposed a price of £62,500 for the Specified Premises and additional land.

Thus, the total contended for by the Applicant in the Initial Notices, including the additional amounts, was £125,004.00 and for the Respondent in the Counter Notices £303,150.00.

d. Prior to the hearing, both valuers had met and submitted a helpful Joint Statement. The only item of agreement in that statement appeared to be in respect of the floor areas of each type of flat.
Revised valuations were produced, these showing a total for the Applicant of £197,215.00 and for the Respondent £268,263.00.

e. At the commencement of the hearing, the following issues were in dispute and for determination by the Tribunal: -

1. existing leasehold value of each type of flat
2. freehold value of each type of flat (i.e. % uplift to freehold)
3. level of reviewed Ground Rents.
4. yield rate for capitalisation.
5. yield rate for deferment.

f. There is a Head lease between Charles Gallagher Limited and Firtown Property Management Limited dated 15 October 1990 for a term of 99 years from 24 June 1990 at a rent of £5,400 per annum for the first period of 33 years, to be reviewed each 33 years to the aggregate of the sub-lease rents. A deed of variation was drawn up on 13 September 1991 to exclude an area of land, and the head lease rent was revised to £4,500 per annum.

The sub-leases are all said to be in the same format and are between Firtown Property Management Limited and each respective lessee for a term of 99 years (less 3 days) from 24 June 1990 at a ground rent of £150 per annum for the first 33 years, with a review each 33 years on the relationship between the original selling prices and the open market value at the review date.

Part of Clause 1.(i) of the sub-lease is worth noting because of its relevance later in this decision. It says: -
'such rent to be reviewd each thirty-third anniversary of the grant hereof and shall then be increased to such sum as is the same percentage of the review

value of the Block as the rent hereby reserved is of the first value of the Block'

At the valuation date of 19 June 2009 there was 80 years and 5 days remaining on the sub-leases.

THE INSPECTION

4. The Tribunal made an inspection of the site on the morning of the 3 August. It was much as described in 3 (a.) above, and the Tribunal inspected the following flats internally: - Flat 56, a ground floor (Type C) 1 bedroom flat, Flat 72, a ground floor (Type B) 2 bedroom 1 bathroom flat and Flat 50 on the 2nd floor (Type A) with 2 bedrooms and 2 bathrooms. They also looked at the wooded area of additional land behind the 4 blocks.

THE HEARING

5. At the hearing, Mr Petts, counsel for the Applicants, opened and referred to his skeleton argument and to the five items still in contention, as listed at 3 e. above.

6. *Valuation of existing leaseholds*

6.1 Mr Petts called on Mr Moore to give his evidence in respect of the first item, namely the valuation of each type of flat. At the Tribunal's suggestion, and with agreement from both parties, it was decided to hear the evidence on each item in dispute singly from both parties, rather than all items together.
After hearing evidence from Mr Moore and Mr Reeve on their values for the three respective types, as the parties were only £5,000 apart in respect of the Type A and Type C values, they were able to agree the values of these during the lunch break, leaving just the Type B for the Tribunal's determination.
The agreed values were - Type A £187,500 and Type C £127,500.

6.2 In his signed report, Mr Moore had adopted a value of £150,000 for Type B flats as at the valuation date, this being based on the sales of four type B flats between May 2006 and October 2008 at prices between £165,000 and £178,000, these prices being adjusted by reference to the Nationwide Regional Price Indices for flats in the outer metropolitan area (in which Fleet falls). Mr Moore acknowledged that indexing is not an accurate form of valuation, although it does give a flavour. He also accepted that he did not know the date when the sales had been agreed. Mr Moore also looked at sales and asking prices of similar flats in the vicinity. In his opinion, there had been a substantial fall in prices of all properties from a peak in autumn 2007, and although the market began to improve from spring 2009, any improvement was imperceptible, and at the valuation date, the market was weak and property prices were virtually at the bottom of the cycle.

6.3 Mr Gist pointed out to Mr Moore that his average for type B flats came out at £152,500, but that he had then reduced that to £150,000, for no apparent reason.

6.4 Mr Gist called Mr Gribbon to enlarge upon his signed written report. Mr Gribbon, when questioned by Mr Petts, said that the most appropriate tool was local evidence. He said that he didn't use the house prices indices because 'it is a rather blunt tool'.

He said that there had been a big drop in prices between 2008 and 2009, and agreed that the drop shown by the Nationwide Index of about 15% was a fair reflection.
Mr Gribbon had attached a schedule of sales of comparable flats and also transactional evidence of a 'Subject to Contract' nature. He said his comparable properties were all within a 2 mile radius of the subject development.
Mr Gribbon said that in this instance he had relied upon information provided by estate agents and Land Registry information where available, as unfortunately there is no comparative information in Tamworth Drive at the appropriate date.

Mr Petts drew Mr Gribbon's attention to the fact that two of his comparables on the same development at Waterside Court, Fleet, both 2 bedroom, 1 bathroom, sold for the same price, £155,000 but the sales were just over a year apart – one in April 2008 and the other in May 2009, which seemed to contradict the fall shown by the index. In addition, Mr Petts said the floor area as shown in Mr Gribbon's schedule appears to be wrong, since the details for his No 8 – 29 Waterside Court, gave a floor area of 53sq m. whereas it should be approximately 60 sq m. making comparables 8 & (larger than the Type B flats, rather than smaller.
Mr Petts also drew Mr Gribbon's attention to another comparable – 70 Tamworth Drive (Type B) which sold in February 2008 at £177,500, and asked if one should apply the 15% reduction to this figure as suggested by the index, which would result in a value of £152,500. Mr Gribbon agreed that a 15% reduction should be applied, but added that his valuation was not based on one transaction.
Mr Petts also pointed out other variances in transaction prices for seemingly similar flats sold at the same time at another development (Fraynes Croft), one being at £182,000 and the other at £175,000, which Mr Gribbon agreed were likely to be of the same size.

Mr Petts in his closing submissions said that Mr Gribbon's comparables actually support Mr Moore's valuation.

6.5 Mr Gist in his final submissions said that: -

a) the average indexed price of Type B flats in Tamworth Drive using Mr Moore's methodology was £156,000
b) the average indexed price of comparable flats, including Tamworth Drive was £152,000
c) the average view of agents as to the price of Type B in October 2009, which Mr Moore felt should be adjusted by around 5% (giving £156,750)

Mr Gist submitted that the difference in valuation ought to be –
Mr Moore - at least £155,250 being the mean of Mr Moore's three averages
Mr Gribbon - £162,500

As there is an error inherent and admitted by both experts, Mr Gist suggested that it would be entirely appropriate for the Tribunal to split the difference, which results in a figure of £158,875.

6.6 <u>The Tribunal's decision</u>

As the evidence from both valuers was inconclusive, with many adjustments made by virtue of indexing, and many unknowns and variations in prices for seemingly similar properties at the same time, and the fact that the Tribunal were unable to see how Mr Moore had arrived at a figure of £150,000 when his average indexed price of Type B Tamworth Drive flats was £156,000 and his average indexed price of other comparable flats was £152,000, the Tribunal found some merit in Mr Gist's suggestion of taking the mean of the two valuers' figures - £158,875 - and then making an adjustment to this figure of approximately 1% to take account of paragraph 3 (1) (b) to Schedule 6 of the Act (No Act rights) giving a figure of £157,250 for Type B flats.

7. *The uplift percentage to freehold values*

7.1 Mr Moore said in his written statement that the increase normally adopted to market values of leasehold flats to reflect the increased value for a virtual freehold was 1%. He said that from his experience there was very little difference between the value of a flat with 80 years unexpired and one with 999 years, although the lack of a ground rent would encourage buyers. He said that the Beckett & Kay graph from the RICS Research Report of relativity showed that the difference between 80 year and 99 year leases was no more than 1%, and he had adopted this figure. Mr Moore said during the hearing that 'the going rate of uplift is usually 1% or maybe a bit more', and with 999 year leases, there should be a nominal 1% uplift.

He went on to add that he had looked again at the RICS graph and the Savills graph showed 98.5% for Greater London & England, indicating an uplift of no more than 1.25%. He said that most of the graphs showed a reduced value at 80 years unexpired, the average being 96.1%.

Mr Gist pointed out that different graphs from the RICS data showed relativity at 80 years of between 96% and 97.5%, (i.e. an uplift of between 2.5 and 4%).

7.2 Mr Reeve in his written statement referred to the RICS Research Report entitled Leasehold Reform: Graphs of Relativity (dated October 2009). He said that all contributors to the research agreed that there is some degree of uplift applicable to a residual term of 80 years, and ignoring Prime Central London data, the average is 95.995. Mr Reeve adopted a relativity of 95.24%, which is equivalent to an uplift of 5%.

In his revised valuations of Blocks A, B, C & D the Tribunal noted that in the case of Blocks A and D, the uplift Mr Reeve had used was 6.4% and on Blocks B & C, 5.52%.

7.3 The Tribunal's decision

The Tribunal finds Mr Moore's evidence on this issue unconvincing and without substance.

Two of the relativity graphs at 80 years for Greater London & England show figures of 96% with one at 97%, one at 97.09% and one at 97.5%.

The graphs take into account that values are on the assumption that no statutory rights to enfranchise exist.

As two of the graphs from the better-known providers (Beckett & Kay and Nesbitt & Co) show 96%, the Tribunal determines that 96% is appropriate in this instance, i.e. a 4% uplift.

8. *Relativity of reviewed Rent*

8.1 Mr Moore's approach was that at the first review in 2023, the value of the individual flats would be affected by the term then remaining, which will be 66 years. Mr Moore in his written report applied a relativity of 87.5% (taken from the RICS Research Report of October 2009) to the existing leasehold values at the valuation date of 19 June 2009, but at the hearing in oral evidence amended this figure to 89% - 90%, and in Mr Petts' closing submissions a figure of 90% was accepted.

Mr Moore was asked by the Tribunal why he had not followed the same approach at the second review (in 2056), and he said he was not sure why he hadn't done it, but probably because it was too far away in the future.

8.2 Mr Reeve did not address this matter in his written report, but at the hearing his approach on the review rent was simply that at the valuation date, everything is frozen, and capitalises the ground rent at that time. He said that one can only use current day values.

In his final submissions, Mr Gist contended that it was wrong to take one factor that will reduce value and ignore every other factor that will, or may, increase or decrease the value.

8.3 The Tribunal's decision

The Tribunal considered that if Mr Moore had continued his methodology through to the second review in 2056 (when there would be only 33 years remaining) the value would be unlikely to have reduced (as per the graphs) to between 47% - 69% (giving an average of 58%) of value, and it seems wrong in principle to therefore adopt his methodology. Further, however, the Tribunal considered that in this particular case the rent review provision prescribed by the lease at Clause 1.(i) [see 3.(f) above] is to be construed as upward only and that there could therefore be no possibility of the ground rent being lower at review than on the 19 June 2009.

The Tribunal therefore agrees with Mr Reeve that at the valuation date values are frozen, and that there should be no relativity applied to the values, and hence the reviewed ground rent, at the review dates.

9. *Yield Rate for Capitalisation.*

9.1 In his report Mr Moore had used a single rate of 6.5%, which he considered to be realistic and based on his experience of rates of 6.5% - 8% being normal in enfranchisement and lease extension calculations, and borne out by many Leasehold Valuation Tribunal decisions. He listed five cases where premiums had been negotiated on blocks of flats at capitalisation rates of between 7% and 8%. He accepted that in 2023 the ground rent would be higher than current, but he said there was no guarantee of the amount. He considered that a rent review clause of this kind was more problematic than fixed rises. He said that at the second review in 2056, when the leases have only 33 years to run, on current policy they will be virtually unsaleable, and the values will be severely affected. As there is some risk to the rent, for both current and review rents, he felt a rate of 6.5% to be appropriate.

When asked by Mr Gist if he had ever come across a rent as secure as this before, Mr Moore conceded that it was more secure than others. He said that there was still risk, whether it was paid direct to the freeholder or to the head lessee, which is a tenant owned company in which all the tenants are shareholders.

When asked by the Tribunal where the risk was when the head lessee has to pay the freeholder direct, as in this case, Mr Moore said there was still a risk, even though it was slight.

9.2 Mr Reeve said in his written report that the risk of default in payment of the current ground rent by the head lessee, FML, is very low, as the penalty for late payment is the application of interest at a rate of 4% above Barclays Bank base rate.

Mr Reeve said that the total amount of ground rent payable to the freeholder, CGL, is an attractive, secure investment which is enhanced by the prospect of growth at the time of the rent review in line with the growth in the capital value of the apartments. He said that at the valuation date the financial markets were still in some considerable turmoil after the events of 2008, and interest rates were at an all time low. For the current rent receivable, Mr Reeve adopted a rate of 5% in line with settlements he had achieved in recent leasehold extensions. For the review rents, he considered it appropriate to use a slightly higher rate to reflect the length of time before further growth in the income can be expected, and used a rate of 5.5%.

Mr Petts put to Mr Reeve that the rent was no more secure than with a normal lease with individual lessees, but Mr Reeve said that the way the head lease was worded made the income stream risk free.

9.3 The Tribunal's decision

The Tribunal was of the opinion that the capitalisation rate suggested by Mr Moore of 6.5% was too low for such a secure, upward only, and attractive ground rent of £4,500 per annum.

With regard to Mr Reeve's differing rates, the Tribunal considered that in the market a flat rate was more appropriate because the market would be unlikely to make a small adjustment for the periods of ground rent.
It would more likely adopt a single rate, and the Tribunal determines a single rate of 5.5%.

The Tribunal considers that Mr Reeve was wrong on the section 165 - 168 issue, and Mr Petts was correct, but the Tribunal considers it not to be of significance in the capitalisation rate.

Yield Rate for Deferment.

13 Mr Moore followed the Court of Appeal decision on *Sportelli* by taking 5% for flats, although he said that his personal view was that the *Sportelli* decision was contrary to valuation practice in setting a single rate for all types , ages and sizes of flats, irrespective of their location. He added that the *Sportelli* decision left open the possibility of a higher rate for flats with over 80 years unexpired, however he said he had agreed with Mr Reeve that a rate of 5% would be appropriate, and he had adopted this rate.

14. Mr Reeve in his written statement said that the reason given in *Sportelli* for the higher reversionary rate of 5% to be used for flats, as against 4.75% for houses, was that paras 95.& 96 said: -

95. "In *Arbib* the adjustment of 0.25% was intended to reflect both the greater management problems associated with flats and the possibility that there might be a better prospect of growth in the house as opposed to the flat market. As to the second of these factors we accept Mr Clark's view that any disparity between growth rates for

houses and flats is likely to even out over the longer term. We think, however, that an adjustment needs to be made to reflect the management problems, although we do not consider it appropriate to differentiate between flats that are the subject of headleases and those which are not. Nor do we think that the management concerns are necessarily so much less for a single flat than for a block to warrant a different adjustment. Even where flats are efficiently managed, service charge and repairs problems inevitably occur, and the management exercise in itself is, we feel, sufficiently more complex to warrant a generalised 0.25% addition for flats. We do not consider that any fine-tuning below this percentage is justified."

96. "Because what we are considering is a long-term investment it is the prospect of management problems arising during the course of the tenancy that it is the important consideration rather than the state of affairs at the time of valuation. Our view is that the potential for problems to arise is inherent in all leases and that standard adjustment is therefore appropriate. We do not rule out the possibility that there could be a case for an additional allowance where exceptional difficulties are in prospect, but this would need to be the subject of compelling evidence."

Mr Reeve said that none of the 'problems' which are expressed to warrant the 0.25% differential rate is applicable to the head lease of FML. Mr Reeve submitted that the wording of this headlease is compelling evidence enough, as it is very difficult to envisage a lease of a house or flat which imposes fewer obligations, management responsibilities and costs upon a lessor. He added that the 'risk' of default in payment of the current ground rent by FML to the freeholder is very low. He therefore adopted a reversionary (deferment) rate of 4.75%.

15. The Tribunal's decision

The Tribunal agreed with Mr Reeve that the reversion in this instance is without management liability and problems, and no different to that of a house, and following paras 95 & 96 of *Sportelli* considered a deferment rate of 4.75% to be correct.

SUMMARY

18. The Tribunal, having made determinations on all of the items in contention, values the premium for enfranchisement at £259,901 as detailed on the attached valuations of each block as Appendix A. (Block A £53,297, Block B £75,136, Block C £77,088 and Block D £54,381).

Mr Moore's revised valuation is attached as Appendix B, and Mr Reeve's revised valuation of each block is attached as Appendix C.

Chairman: D.L.Edge FRICS

Date: 30 August 2010

APPENDIX A

Tamworth Drive, Fleet, Hampshire.

Valuations of Blocks A,B,C,& D

Agreed:

Type A Leasehold Value	£187,500
Type C Leasehold Value	£127,500
Valuation Date	19th June 2009

Determined:

Type B Leasehold Value	£157,250
Capitalisation rate	5.5%
Deferment rate	4.75%
Leasehold/Freehold uplift	4.0%

Block A

Valuation of Freeholder's Interest

Current Ground Rent	£ 900
Current Rental Value	£ 1,930
Current Freehold Value	£1,125,000
Original Purchase Price	£ 524,500

Calculation:

Ground rent	£ 900	
YP 14 yrs @ 5.5%	9.590	£ 8,631
Rev to	£ 1,930	
YP 66 yrs @ 5.5% def. 14 yrs	8.3413	£16,099
Rev to perpetuity	£1,170,000	
PV 80 yrs @ 4.75%	0.024416	£28,567
		£53,297
Marriage value		0
		£53,297

APPENDIX A

Block B

Valuation of Freeholder's Interest

Current Ground Rent	£ 1,350
Current Rental Value	£ 3,419
Current Freehold Value	£1,379,040
Current leasehold Value	£1,326,000
Original Purchase Price	£ 523,500

Calculation:

Ground rent	£ 1,350		
YP 14 yrs @ 5.5%		9.590	£12,946
Rev to	£ 3,419		
YP 66 yrs @ 5.5% def 14 yrs		8.3413	£28,519
Rev to Perpetuity	£1,379,040		
PV 80 yrs @ 4.75%		0.024416	£33,671
			£75,136
Marriage Value			0
			£75,136

APPENDIX A

Block C

Valuation of Freeholder's Interest

Current Ground Rent	£ 1,350
Current Rental Value	£ 3,653
Current Freehold Value	£1,379,040
Current Leasehold Value	£1,326,000
Original Purchase Price	£ 489,990

Calculation

Ground Rent	£ 1,350	
YP 14 yrs @ 5.5%	9.590	£12,946
Rev to	£ 3,653	
YP 66yrs @ 5.5% def 14 yrs	8.3413	£30,471
Rev to Perpetuity	£1,379,040	
PV 80 yrs @ 4.75%	0.024416	£33,671
		£77,088
Marriage value		0
		£77,088

APPENDIX A

Block D

Valuation of Freeholder's Interest

Current Ground Rent	£ 900
Current Rental Value	£ 2,060
Current Freehold Value	£1,170,000
Current Leasehold Value	£1,125,000
Original Purchase Price	£ 491,500

Calculation:

Ground Rent	£ 900		
YP14 yrs @ 5.5%		9.590	£ 8,631
Rev to:	£ 2,060		
YP 66yrs @ 5.5% def 14 yrs		8.3413	£17,183
Rev to Perpetuity	£1,170,000		
PV 80 yrs @ 4.75%		0.024416	£28,567
			£54,381
Marriage Value			0
			£54,381

APPENDIX B

	A	B	C	D	E	F	G
1	**Valuation of Flats**						
2		Value	Number	Total			
3	Type A (Agreed)	£187,500.00	12	£2,250,000.00			
4	Type B	£150,000.00	12	£1,800,000.00			
5	Type C (Agreed)	£127,500.00	6	£765,000.00			
6							
7	Estate Value			£4,815,000.00			
8							
9	**Valuation of Blocks**						
10		Type A	Type B	Type C	Value		
11	A 42 - 52	6			£1,125,000.00		
12	B 54 - 70		6	3	£1,282,500.00		
13	C 72 - 88		6	3	£1,282,500.00		
14	D 90 - 100	6			£1,125,000.00		
15							
16	Estate Value				£4,815,000.00		
17							
18	Uplift	1.00%			£48,150.00		
19	Uplifted Value				£4,863,150.00		
20							
21	Deferment Rate	5.00%					
22	Years	80					
23							
24	Parry's Multiplier	0.0202					
25	Premium				**£98,235.63**		
26							
27							
28	**Current Ground Rent**						
29							
30	By Block	Flats	Rent	Total	14 Years Purchase		
31	A 42 - 52	6	£150.00	£900.00	£8,112.60		
32	B 54 - 70	9	£150.00	£1,350.00	£12,168.90		
33	C 72 - 88	9	£150.00	£1,350.00	£12,168.90		
34	D 90 - 100	6	£150.00	£900.00	£8,112.60		
35	Capitalized Total			£4,500.00	£40,563.00		
36							
37	Years Purchase	14					
38	Capitalization Rate	6.50%					
39	Parry's Multiplier	9.014					
40							
41							
42	**Revised Ground Rent**						
43							
44	By Block						
45	A 42 - 52				£1,930.00	(Flat 44 sale price)	£85,000.00
46	B 54 - 70				£3,307.00	(Type B valued at)	£150,000.00
47	C 72 - 88				£3,533.00	(Type B valued at)	£150,000.00
48	D 90 - 100				£2,060.00		
49	Estate Total				£10,830.00		
50	Relativity	90.00%			£9,747.00		
51	Capitalized Total				**£61,113.69**		
52							
53	Years Purchase	66					
54	Capitalization Rate	6.50%					
55	Parry's Multiplier	6.27					
56							
57	**Enfranchisement Premium**				**£199,912.32**		

APPENDIX C

APPENDIX 6

VALUATIONS OF BLOCKS A, B, C & D

Leasehold Reform, Housing & Urban Development Act 1993

Revised Valuation Post LVT Hearing

Block A, Tamworth Drive, Fleet
Lease commenced 24/06/1990

Valuation Date 19th June 2009

Valuation of Freeholder's Interest

Current Ground Rent	£ 900
Current Rental Value	£ 1,930
Current Freehold Value	£ 1,197,000
Current Leasehold Value	£ 1,125,000
Original Purchase Price	£ 524,500

Calculation

Ground Rent	£ 900	
YP 14 years @ 5% interest	9.8986	£ 8,908.74
Rev to	£ 1,930	
YP 66yrs@ 5.5% def 14 years	8.341305	£ 16,102.14
Rev to Perp	£ 1,197,000	
PV 80 years @ 4.75%	0.024416166	£ 29,226.15
		£ 54,237.03
Marriage Value @ 50%		0
		£ 54,237.03

Leasehold Reform, Housing & Urban Development Act 1993

Revised Valuation Post LVT Hearing

Block B, Tamworth Drive, Fleet
Lease commenced 24/06/1990

Valuation Date 19th June 2009

Valuation of Freeholder's Interest

Current Ground Rent	£ 1,350
Current Rental Value	£ 3,503
Current Freehold Value	£ 1,433,250
Current Leasehold Value	£ 1,358,250
Original Purchase Price	£ 523,500

Calculation

Ground Rent	£ 1,350	
YP 14 years @ 5% interest	9.8986	£ 13,363.11
Rev to	£ 3,503	
YP 66yrs@ 5.5% def 14 years	8.341305	£ 29,216.68
Rev to Perp	£ 1,433,250	
PV 80 years @ 4.75%	0.024416166	£ 34,994.47
		£ 77,574.26
Marriage Value @ 50%		0
		£ 77,574.26

Leasehold Reform, Housing & Urban Development Act 1993

Revised Valuation Post LVT Hearing

Block C, Tamworth Drive, Fleet
Lease commenced 24/06/1990

Valuation Date 19th June 2009

Valuation of Freeholder's Interest

Current Ground Rent	£	1,350
Current Rental Value	£	3,742
Current Freehold Value	£	1,433,250
Current Leasehold Value	£	1,358,250
Original Purchase Price	£	489,990

Calculation

Ground Rent	£	1,350	
YP 14 years @ 5% interest		9.8986	£ 13,363.11
Rev to	£	3,742	
YP 66yrs@ 5.5% def 14 years		8.341305	£ 31,214.78
Rev to Perp	£	1,433,250	
PV 80 years @ 4.75%		0.024416166	£ 34,994.47
			£ 79,572.36
Marriage Value @ 50%			0
			£ 79,572.36

Leasehold Reform, Housing & Urban Development Act 1993

Revised Valuation Post LVT Hearing

Block D, Tamworth Drive, Fleet
Lease commenced 24/06/1990

Valuation Date 19th June 2009

Valuation of Freeholder's Interest

Current Ground Rent	£ 900
Current Rental Value	£ 2,060
Current Freehold Value	£ 1,197,000
Current Leasehold Value	£ 1,125,000
Original Purchase Price	£ 491,500

Calculation

Ground Rent	£ 900	
YP 14 years @ 5% interest	9.8986	£ 8,908.74
Rev to	£ 2,060	
YP 66yrs@ 5.5% def 14 years	8.341305	£ 17,183.26
Rev to Perp	£ 1,197,000	
PV 80 years @ 4.75%	0.024416166	£ 29,226.15
		£ 55,318.15
Marriage Value @ 50%		0
		£ 55,318.15