



**Ref LON/OOBJ/OCE/2010/0181
LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT
ASSESSMENT PANEL**

**THE LEASEHOLD REFORM, HOUSING AND
URBAN DEVELOPMENT ACT 1993 SECTION 24**

Property: 15 Vicarage Crescent, London SW11 3LP

Applicants: Michael Clement, Sarah Kate Hope-Walker,
Christopher Paul Lane and Irena Lane

Respondent: Jeffrey Edwards

Application date: 04/10/2010

Members of the Leasehold Valuation Tribunal:

**Mrs JSL Goulden JP
Mr. L Jarero BSc FRICS**

**Date of Tribunal's
Decision:** 22nd November 2010

**LEASEHOLD VALUATION TRIBUNAL for the
LONDON RENT ASSESSMENT PANEL**

DETERMINATION BY THE LEASEHOLD VALUATION TRIBUNAL

LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993

REF: OO/LON/00BJ/OCE/2010/0181

Address: 15 Vicarage Crescent, London, SW11 3LP

Applicants: Michelle Clement, Sarah Kate Hope-Walker Christopher Paul Lane and Irena Lane

Respondent: Geoffrey (or Jeffrey) Edwards

Tribunal: Mrs JSL Goulden JP (Chairman)
Mr L Jarero BSc FRICS

1 The Applicants who are the lessees of the ground floor flat (Michelle Clement), the first floor flat (Sarah Kate Hope-Walker) and the second floor flat (Christopher Paul Lane and Irena Lane) at 15 Vicarage Crescent, London SW11 3LP ("the property") seek to exercise their right to purchase the freehold from the landlord in accordance with the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act"). The landlord, Geoffrey (or Jeffrey) Edwards could not be traced. In accordance with procedure in such cases, the Applicants obtained a vesting order from the Wandsworth County Court on 30 July 2007 appointing Michelle Clement, the head lessee and lessee of the ground floor flat, as the reversioner of the property.

2. Details of the leases are as follows:-

- (a) Head lease – dated 4 August 1983 and made between J Edwards(1) and Harrowlake (2) for a term of 99 years and 1 day from 1 January 1983 at a rent of £150 per annum. Present Registered Proprietor: Michelle Clement.
- (b) Intermediate lease – ground floor flat – dated 1 November 1983 and made between Harrowlake Ltd (1) and Kit Lian Chan (2) for a term of 99 years from 1 January 1983 at a rent of £50 per annum. Present Registered Proprietor: Michelle Clement.
- (c) Intermediate lease – first floor flat – dated 30 December 1983 and made between Harrowlake Ltd (1) and Angela Leo-Cruz (2) for a term of 99 years from 1 January 1983 at a rent of £50 per annum. Present Registered Proprietor: Sarah Kate Hope-Walker.
- (d) Intermediate lease – second floor flat – dated 3 May 2002 and made between Mary Bridget Wyndham (1) and Peter Dominic Thomas Skinner (2) for a term of 99 years from 1 January 1983 at a rent of £50 per annum. Present Registered Proprietors: Christopher Paul Lane and Irena Lane.

3. The Tribunal was provided with a copy of a Report dated 12 November 2010 by Guy Rutland Bessant BSc MRICS of Ross & Co, Chartered Surveyors, together with his valuation in which he assessed the price for the freehold interest at £36,465, the valuation date being 23 November 2009.

4. Mr Bessant valued the extended lease values of the three flats at £758,500. He increased this by 1% to arrive at a freehold interest value of £760,865.

5. Mr Bessant adopted 5.1% as the appropriate deferment rate and had diverted from the guidance in Sportelli since he said that the values in the locality remain lower than those north of the river for properties of similar standards.

6. Mr Bessant capitalised the passing ground rents totalling £150 per annum (without review) at 7½ %. In his calculation of the premium he provided for the payment of marriage value. Mr Bessant put the total of the existing leasehold values of the three flats at £707,604 representing a relativity of 93% to the freehold value. He had placed no value on the head lease.

7. Mr Bessant's valuation is attached at Appendix B.

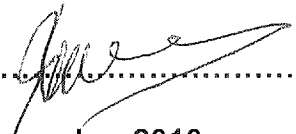
The Tribunal's determination

8. The Tribunal is satisfied with Mr Bessant's valuation of the three flats and with the capitalisation rate for the ground rents and relativity, but rejects his argument in respect of the deferment rate as having no probative value. The Tribunal determines a deferment rate of 5% in line with Sportelli. The Tribunal also determines that the unexpired term is 73.1068 years and not 73.1056 years. The Tribunal accepts that the head lease, having one day only left at the expiration of the underleases, has no value.

9. The Tribunal is satisfied that, in the circumstances, it is not necessary to inspect the property.

10. The Tribunal determines the premium at £38,369 and its valuation is attached at Appendix A

11. With regard to the terms, the draft Transfer supplied for the Tribunal's approval is approved as drawn.

CHAIRMAN..........
DATE.....22 November 2010.....

Valuation of 15 Vicarage Crescent London SW11 3LP

Valuation date 23 November 2009

The flats are held on 99 year leases from 1 January 1983

Length of lease remaining 73.1068

Ground rent £50 per flat without review

Deferment rate	5%		
Capitalisation rate	7.5%		
Freehold value of flats	£760,865		
Relativity	93%		
Existing lease value of participating flats	£707,604		
Value of freeholder's present interest			
Ground rent receivable	£150		
YP 73.1068 yrs @ 7.5%	13.28590	£1,990	
Reversion to full market value	£760,865		
PV of £1 in 74.64 yrs @ 5%	0.02824	£21,487	
Freeholder's present interest			£23,477

Calculation of marriage value**Value of property after enfranchisement**

Freeholder's interest	£0
Tenant's interest	£760,865

Value of property before enfranchisement

Freeholder's interest from above	£23,477
Tenant's interest	£707,604
Marriage value	£29,784
Share of marriage value to be divided equally between freeholder and tenant	£14,892

Premium payable to freeholder

Present interest - from above	£23,477
Share of marriage value	£14,892
Total	£38,369

Total premium payable**£38,369**

There is no profit rent save for 1 day before expiry of headlease.
 This equates to £0.14 in December 2083. Nil value
 Similarly no marriage value to headlease. Nil value

Marriage Value

Extended Leasehold Value of Flats	£758,500	
Value of Under Lessee's existing value of Flats	-£707,604	
Freehold's Existing Value	<u>-£22,036</u>	
Difference (Marriage Value)	£28,860	
Freeholder's Share	<u>50</u> %	
Total Marriage Value	£14,430	£14,430
Other Compensation		<u>£0</u>
Premium Payable for Freehold		£36,466
Say		£36,465