



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

Case Reference : CAM/38UC/OCE/2017/0018

Property : Tennyson Lodge, Paradise Square, Oxford
OX1 1UD

Applicant : Tennyson Lodge Freehold Limited

Representative : Mr S Gallagher (Counsel)
Mr R Foulkes MRICS of Marshalls Chartered
Surveyors

Respondent : FIT Nominee Limited and FIT Nominee 2
Limited

Representative : Mr A J Balcombe BSc FRICS FCI Arb, of
Hargreaves Newberry Gynge ll Chartered
Surveyors

Type of Application : Section 24 Leasehold Reform, Housing and
Urban Development Act 1993

Tribunal Members : Tribunal Judge Dutton
Mrs H C Bowers BSc (Econ) MSc MRICS
Mr D Barnden MRICS

**Date and venue of
Hearing** : Oxford Combined Court, St Aldates, Oxford on
15th August 2017

Date of Decision : 6th September 2017

DECISION

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DECISION

The Tribunal determines that the price payable for the freehold of the property at Tennyson Lodge, Paradise Square, Oxford OX1 1UD (the Property), is £262,818.00 as set out on the valuation below.

BACKGROUND

1. By a notice under Section 13 of the Leasehold Reform, Housing and Urban Development Act 1993 (the Act), the nominee purchaser, Tennyson Lodge Freehold Limited, proposed a purchase price of £224,500 for the freehold interest in the Property together with an additional £500 for the property to be acquired. By a counter notice, the Respondents, FIT Nominee Limited and FIT Nominee 2 Limited, put forward a counter proposal of £939,000 for the freehold interest in the Property with a price to be paid for the additional land of £2,000.
2. Terms were not capable of agreement and accordingly an application was made to the Tribunal for a determination of the price to be paid under Section 24(1) of the Act.
3. Prior to the hearing, we received a bundle from the Applicant which contained copies of the freehold title, an example of the lease and the initial notice and counter notice. We were also provided with a schedule of costs and a draft transfer together with two reports prepared by Mr Foulkes, the latter one of which is dated 31st July 2017 and is the one utilised at the hearing. A report from Mr Balcombe on behalf of the Respondents was also before us, this being dated 24th July 2017. These reports had appendices attached, which we noted.

INSPECTION

4. Prior to the hearing, we inspected the Property and three flats therein numbered 3, 14 and 24. The Property comprises two/three storeys of accommodation above a basement which houses a substantial underground car park and some storage facilities. To the rear of the Property is a pleasant communal garden containing large shrubs and trees with a grassed area. There is also some path lighting. To the front there is also a small cultivated area which overlooks the substantial development of the Westgate Shopping Centre in Oxford. This is perhaps nearing completion but work was being undertaken both at the time of the proposed rent review, as provided for under the terms of the lease, and the valuation date. Internally the common parts are in good decorative order and are bright and airy. There is no lift but there is a door entry phone.
5. We inspected Flat 3 first, which is on the ground floor and has somewhat a long entrance hall off which are to be found one double and one single bedroom and a bathroom containing a wash hand basin, WC and bath with shower. There is a large living/dining room and off that a small kitchen. The flat has under floor heating as well as electric storage heaters. There is also a cupboard containing the hot water tank in the hallway.
6. Flat 14 was undergoing refurbishment at the time of our inspection. This was sited to the rear of the Property overlooking the gardens and had one double and

one single bedroom, an internal bathroom containing a wash hand basin, WC, bath with shower and a pleasant living room with a good outlook and a kitchen which was also internal, off the living room.

7. Flat 24 was a front facing property with a double bed and a single bedroom presently used as a study. There was an internal bathroom with bath and shower above wash hand basin and toilet. The living room was of a good size with an internal kitchen off that living room. The flat had the benefit of high ceilings.
8. We made a brief inspection of the basement area, which included a large car park, a bin storage area and two additional storage areas. One of these additional storage areas had cupboards housing the main electrical inlet equipment. The other space was noted to have an internal drain, most likely housed a sump pump. These two storage areas had open metal gates and it was observed that bikes were stored in these areas.
9. As we mention above the Property is adjacent to the development of the shopping centre. It is no easy feat to reach the subject premises and Paradise Square is perhaps something of a misnomer at the moment whilst these works are underway.
10. In addition to inspecting the subject Property, there were a number of comparables put to us which we also had the opportunity of inspecting from the outside, prior to the hearing. These included flats at Swan Court overlooking a river which in our view was a superior location and Empress Court similarly a better location with a view of the castle. We also inspected Lion Brewery and Castle Mews the latter being not dissimilar to the subject premises although there was a very pleasant court yard to the rear with a gated entrance and was therefore in our view superior to the subject Property. Finally, we inspected Rowland Hill Court which has a very pleasant rear aspect but abuts the nearby railway station and the front faces onto what appears to be a large post office and car park.

MATTERS AGREED

11. The following matters were agreed between the parties:
 - The valuation date for the 1993 Act valuation is 22nd February 2017.
 - All 30 flats are held on leases with a term of 125 years from 1st July 1995 at an initial rent of £100 per annum renewable every 21 years in accordance with the formula set out in the lease.
 - There are 27 participating tenants.
 - The deferment rate is 5%.
 - The appurtenant land, that is to say the garden land to front and rear, has been agreed at £1,000.
 - The rent review date is 1st July 2016 on an upward review only.

The parties have agreed:

- The first value of the building is £3,077,495.
- The original rent is £3,000.
- The agreed ratio is 0.00097.

- There has been no discernible change in the market value since the rent review date of 1st July 2016 and the 1993 Act valuation date of 22nd February 2017.
 - The 1993 Act value requires a discount for tenants' improvements whilst the rent review requires an open market value.
12. The following matters are to be determined by us:
- The market value of the flats for the purposes of assessing the rent value on 1st July 2016.
 - The market value of the flats for the purposes of assessing the rental value as at 22nd February 2017,
 - the market value of the flats for the purposes of assessing the reversionary value as at 22nd February 2017,
 - the capitalisation rate and
 - the value to be attributed to the basement storage areas.
13. There has been some indication that there may be development hope value but this was not pursued by the Respondents.

HEARING

14. At the hearing both valuers spoke to their reports and were asked questions. Mr Foulkes' report was in the bundle and is dated 31st July 2017. After confirming his personal details and familiarity with the Property he moved on to the question of valuation matters. On the question of valuation matters Mr Foulkes had made a deduction of £5,000 per unit to reflect tenants' improvements. He told us also that he had adjusted figures to reflect the positions of the various flats, that is to say which floor they may be on and whether they are at the front or back of the Property. On this basis, he had assessed the total market value of the flats at £11,220,000 with the Act value at £11,085,000 as at the valuation date. He considered that the car parking spaces and storage areas were included and the shared storage areas were of little value. He confirmed that the additional land had been agreed at £1,000.
15. On the question of comparable evidence, he told us that there had been four sales in the building in 2015 of flats 11, 15, 21 and 22. All the flats, save for Flat 11, showed what he termed as a 'tone of value'. Flat 11 was considerably more expensive than the other three flats with an adjusted price to July 2016 of £439,237 contrasting with the other flats coming in at somewhere between £345,000 and £357,000. He had made adjustments utilising Land Registry house price indexes for house and maisonettes in Oxford. He told us his recollection was that the local market for flats during 2015 was buoyant with sales peaking in March of 2016 due to changes in Stamp Duty levels. He was of the view that Tennyson Lodge was less popular than other town developments as it was "relatively poorly positioned away from the main City centre." He was of the view that the block was looking dated and there was no lift.
16. He referred us to the construction of the Westgate Centre which was apparently now nearing completion but which in his view had resulted in considerable

disturbance at the valuation date. He thought, however, that in the future the existence of this development may enhance the market appeal of the flats.

17. He also considered comparable flats in the locality, being those at 6 Swan Court, 12 and 92 Rowland Hill Court, 28 Castle Mews, 4 Paradise Square, which somewhat surprisingly was a two/three-bedroom house, and 43 Stevenson House.
18. Having confirmed that the existing ground rent position had been agreed, he moved onto the rates that he adopted for deferment and capitalisation. Deferment had been agreed at 5% but he opted for a 7% capitalisation rate for the reasons he explained under paragraph 11 of his report.
19. Having considered that the market value for the Property was £11,220,000 and applying the ground rent percentage of 0.0097 to that figure, he calculated that the new ground rent considered to be passing at the rent review date would be £10,883.40 or £362.78 per flat. Applying a capitalisation rate of 7% to that new estimated ground rent gave a capital figure of £155,334.41 which he considered to be the present value of the loss of ground rent for the remaining term. Taking the Act values of the building, which as he previously indicated was £11,085,000 after allowing for tenants' improvements and deferring this at 103.93 years at 5% gave a value of £69,835.50. This, added to the capitalisation of the ground rent and the £1,000 for the land, gave, in his opinion, the price payable for the freehold of £226,000.
20. He was asked questions firstly by Mr Gallagher confirming that the report did stand as his evidence. He was asked to contrast his findings with those of Mr Balcombe. He was of the view that the strongest comparables were those in the block and not other local properties where the impact of Westgate was perhaps not so dramatic. Asked about the four flats within the building, he was of the view that they had been handled by estate agents and there was no indication that these were sales at under valuation. He had produced a screen shot from Right Move. He was, however, concerned with the value of Flat 11, which seemed to be out of pace with the others.
21. He then sought to explain the differences he had ascribed to flats on the ground and first floor and particularly with rear views. However, despite indicating that he thought there might be something in the region of £5,000 difference, he could not in truth give any indication to us as to where this sat with his assessment of the value. He seemed to indicate that he thought the flats averaged at £375,000 but it was impossible to find out whether or not this reflected ground and first floor with rear views or not.
22. On the question of improvements, he had no real evidence to adduce indicating that he thought there might be some £3,000 spent on a kitchen and £2,000 spent on a bathroom and anything else. In respect of Flat 3, he mentioned the underfloor heating but did not ascribe any real value to that. He had not inspected any of the flats which he relied upon to achieve the capital value for the building.

23. As to the storage units, he did not consider that a value put on those by Mr Balcombe of £10,000 each unit (£20,000 in total) was realistic. If they were worth that much then he was surprised that the landlord had not rented them out. They were useful to the tenants but only on a limited basis.
24. On the question of capitalisation rates, he told us that the current values only tells of past performance. The flats were new when originally sold but the buy to let market had gone, there were lower interest rates and we were now under a weak and unstable Government. He also suggested that Oxford had a very high proportion of house prices to earnings and he did not think, therefore, that the market would grow quickly. He said he frequently used the figure of 8% for capitalisation rates in negotiations but accepted that in this case there was a rising ground rent. However, he highlighted the responsibility of the lessor to pay for the costs of the rent review, which he thought could be £5,000. The leases with the length they were, of course meant there was no marriage value and he thought there would be no real prospect of lease extensions for some considerable time.
25. Asked by the Tribunal about the development at the Westgate Centre, he told us it had been in planning for years and that at the time of the review in July of 2016 he thought that the developers were installing the underground car park, which was adjacent to the subject Property. At the time of the valuation date in February 2017, he was of the view that the building opposite would have been clouded in scaffolding and not the outlook that we had seen on inspection.
26. He was asked questions by Mr Balcombe which included issues as to whether the flat measurements were correct. He told us that he had taken the measurements from estate agent's particulars and from energy performance certificates. He was aware of Flat 24 but not the others. He was questioned about the improvements and conceded he had no evidence to support this deduction. Nor could he produce any evidence to sustain a suggestion that the upper floor may have a slightly lower value than the first and ground floor. He was questioned about the price payable for Flat 11. He said he had included it in the mix but the other three flats had closer values and he had no idea why Flat 11 should have sold for so much more. Asked to review the comparables of other properties, he confirmed that he considered that the lowest other comparable was in Rowland Hill at £405,000 and the highest appeared to be at £425,000. However, he thought these flats were sited in better placed blocks.
27. On the question of storage, he said he did not think that it had ever been let and was not aware as to what commercial use it could be put. He said it had some attraction as a bicycle store for residents and as a bin store but it was not let out.
28. Turning to the capitalisation rate, he confirmed he had no evidence to support the settlements showing a rate of 8% but that it was his expert opinion that 7% was reasonable for the doubling of the rent in 33 years. He could find nothing which suggested a capitalisation of 5.25% as suggested by Mr Balcombe.
29. Mr Balcombe then gave evidence and as with Mr Foulkes relied on his report. This contained the usual details as to his career and matters that were in agreement, which we have recorded above.

30. In considering those matters which remained in dispute, he was of the view that:
 - a. the total market value of the flats as at 1st July 2016 was £12,100,000
 - b. that the market value of flats at the assessment date, namely 22nd February 2017, was the same
 - c. the market rental value for all flats at the rent review date and the assessment date was £11,795.31
 - d. the capitalisation rate was 5.33%
 - e. the storage units were valued at £20,000 for the two.
31. As a result of these conclusions he assessed the total premium to be paid at £318,600, which it is noted is a substantial reduction from that shown in the counter notice. The report then went on to deal with the flats within the building and their sizes and to deal with the rent review. He confirmed there was agreement as to the ratio of the capital value to initial rent and moved on then to address the comparable evidence, particularly that within the subject Property.
32. He told us that he had been able to glean from the Land Registry that there were apparently three flats sold in 2015 for the prices set out at paragraph 7.31 of his report. He could not, however, find any sales information for Flats 15 and 11 and the sales details for Flat 22 appeared to be dated in June 2014 although the sale date was, it seems, August 2015. His conclusion was that no weight should be attached to these sales within the building as there was no market evidence in the form of estate agents' particulars or such like to support these sales.
33. He therefore considered sales of flats in other blocks within close proximity utilising those at Swan Court, Castle Mews, Rowland Hill, Lion Brewery and Empress Court. As a result of this comparable evidence, he had concluded that an average rate on a pound per square foot basis was £622 and he had applied that to what he considered to be the square footage of the flats in Tennyson Lodge giving a total figure of £12,108,000. This he rounded to £12,100,000. Using this capital value for the purposes of assessing the rent he concluded that the total rent payable at the rent review date would be £11,795.31.
34. It being agreed that there was no discernible change in market values and the market rent remains at the date of the assessment in February. He was of the view that there were no improvements to be taken into account.
35. The next question to be determined from his point of view was the capitalisation rate. Whilst accepting that 7% was often adopted where the ground rent was low and the rent review period long, in this case he thought that did not reflect the position in this building. He had relied on the case of Sportelli, which of course dealt with deferment rates. His view was that over the last 21 years there had been a growth, on his figures of 393% from the £3,077,495 initial value to the valuation at valuation date of £12,100,000. This was, he said, the annual equivalent after inflation of 3.89%. If forward growth was taken at the same annual equivalent, that would provide a prospective value for the block at next review of just over £26,302 per annum. If the traditional 7% calculation was taken and his assessment of £26,302 accepted, it would produce a figure of £220,458. His submission, however, was that the Tribunal will only consider both the passing rent and market rent at time of the assessment and used

capitalisation rates to take into account capital growth. If that position is adopted to achieve a figure of £220,458 a capitalisation rate of 5.33% would be required. He supported this assessment by reference to the fact that Oxford was a thriving City with a strong economy, that there was a shortage in supply of accommodation, that the immediate location of the Property was enhanced by the new development and that taking these matters into account there would be confidence that over the next 21 years there would be capital growth hence the capitalisation rate of 5.33%.

36. Taking his valuation of £12,100,000 with a deferment rate of 5% gave a reversion value of £78,150.
37. The final area that he considered was the two storage areas in the basement. His view that these could be leased out to existing leaseholders or to other businesses. They had a floor area of approximately 40.9 square metres and he had attached a value of £10,000 per unit based on a rental of £1,000 a year and capitalised at 10%. Taking these matters into account, he assessed the premium at £318,600. He added some comments before being cross examined. He told us he had phoned local agents and believed that the comparables in the other buildings did not have the benefit of lifts. He could find no reason for the disparity in the value of those flats within the building itself relied on by Mr Foulkes and thought that Swan Court carried the greatest weight. On the question of the storage areas he told us he did not inspect and had not advised the landlords on this, although he was satisfied they could have been rented out and the low rent of £19.23 reflected the fact that they would probably not be secure storage.
38. Asked questions by Mr Gallagher on the comparables within the building, he told us that he had done searches through Right Move but could not find anything to assist. For his part he could not find anything within the block except for Flat 22 in 2014. His view, however, was that on this occasion whilst he accepted there were three flats showing similar values, he could not accept them as there was no evidence that the market had been tested. When asked why that would be the case, he said that the vendors could have spoken to each other and he had assumed that all four in the block were off market, for example, a sale by a mother to son. He did, however, accept that ordinarily open market value sales of flats in the Property would be the best evidence.
39. On the question of the development of the Shopping Centre, he could not decide whether this was a positive or a negative effect. He did not think it would have too much impact. His view was that the bulk of the lessees rented their properties and that in that market the development would not have any great effect. He was asked what adjustments might need to be made to counter the impact of the development of the Shopping Centre on the subject Property was not clear that what they might be but thought no more than a 5% reduction in the short term.
40. On the question of his comparables, again he was asked why he had not used those in the block but confirmed that without any market evidence he was unwilling to accept them as true market sales. He confirmed that the values that he had taken for other locations were an average and he had not valued each flat individually. He thought there would be little difference between floor levels. On

the question of capitalisation rate, he confirmed that he would have been happy with 7% for a 33-year doubling rent increase at say £100 starting. He could not find any sales particulars where rents were based on capital increases and therefore had no market evidence to adduce. The assessment of the ground rent was his own view. He had not had this assessment challenged or reviewed by his peers.

41. He told us that there had been some correspondence with lessees quoting the reviewed rental figure and a number had paid as requested whilst others had pointed out that it had not been served correctly. The day before the hearing it appears that a valuer appointed by the RICS had been nominated. Nonetheless, he thought about a third may have paid the varied rent. He accepted that at the valuation date, with no new rent in place, a purchaser would have to take a view and that this included therefore an element of uncertainty and risk. He accepted also that the clause was somewhat unusual in that there was no ability of reaching an agreement and that it required the capital value of the building to be fixed and, therefore, even if one tenant objected the process would need to be pursued. He accepted also that it was for the landlord to pay the costs and that those could be somewhere between £3-5,000 plus VAT.
42. As to the store rooms, it appears that the parties had accepted that this was the landlords retained property and that there were no express rights retained for the lessees over this area. He accepted that access would be required to the storage areas for works on any electrical supply and that bikes that were presently stored would need to be removed. He could not say why it had not been let previously. He could not provide any evidence of commercial rents for storage of this nature. Mr Gallagher then made submissions in respect of the capitalisation rate of the values that Mr Foulkes put forward which gave a figure of 3.65% as opposed to the 3.89% suggested by Mr Balcombe.
43. We then had submissions briefly from Mr Balcombe and Mr Gallagher all of which have been noted by us. Mr Balcombe's were succinct, confirming he had not measured the flats. There was, he said no evidence of improvements and could see no reason why the capitalisation rate should be at the level suggested by Mr Foulkes. He also considered that the storage area had some value.
44. Mr Gallagher concentrated on the sale of the three flats in the building and asked us to treat Flat 11 with some caution. Although there were no sales particulars, there were Land Registry details to evidence to sale. He did not think that three people would under-sell their flats. He asked us to consider the effect the development had on the Property at the various dates. However, he submitted that if we utilise the comparables within the block then this would be taken into account. As to the capitalisation rate, he reminded us that there was no market evidence and that this was Mr Balcombe's own approach relying on the past being a guide to the future. This may be consistent with the Sportelli approach to deferment but was not relevant he said the assessment of capitalisation rate. On the question of storage, he thought there was a legal uncertainty as to whether the landlord could provide locked gates and there were difficulties on the ground with regard to the electrical equipment already in situ and the fact that it appears lessees were using the areas for storage. He did not think there was any additional value for the storage area.

THE LAW

45. We have applied the provisions of the Act, in particular schedule 6.
46. We have also considered the wording of the rent review provision contained in the second schedule to the lease, a specimen of which was included within the bundle. There appears to be no dispute as to the mechanism of dealing with the rent review, nor that it is the responsibility of the lessor to pay the Chartered Surveyor's fees. There appears to be no provision within the terms of the schedule for there to be any agreement and instead the matter has to be dealt with by way of an assessment through the RICS-appointed surveyor.

FINDINGS

47. We will deal firstly with the assessment of the capital values because of course this impacts on the assessment of the ground rent. We cannot accept Mr Balcombe's submission that because there are no sales particulars for the flats in the building, namely Flats 11, 15, 21 and 22, that these should be rejected. There is evidence from Land Registry records that these sales took place. We have noted the adjusted figures set out at page 11 of Mr Foulkes' second report, which of course includes the price achieved for Flat 11. No evidence was put to us that these transactions were anything other than open market sales. We agree with Mr Gallagher that it would seem extremely unlikely that three vendors in the building should sell at under value. No indication has been given that there was any form of familial or other relationship that would justify this. Why Flat 11 has achieved a price of £439,237 is unclear. However, from considering the plans of flats given to us by Mr Foulkes, it would seem that this flat bearing the literary reference of Keats had what appeared to be two more equally sized bedrooms and had the rear aspect. We consider that it is inappropriate to disregard these comparable sales of flats within the building, which would also be subject to the vagaries of the development of the Shopping Centre. To reject them merely because there are no estate agents' particulars seems to us to be misplaced.
48. Our view of the comparable evidence beyond the Property, was that in the main it was in a superior position, perhaps not the case with Rowland Hill Court, but certainly did not have the impact upon it of the development at Westgate. As we ourselves found, trying to get to Paradise Square with the building works was no mean achievement. Whilst at some time in the future the development may enhance the value of Tennyson Square, we have no certainty of this. As we understand it, the building immediately opposite is to be a car park which itself will generate traffic which may have a deleterious effect. Taking these matters into account, it seems to us therefore, that the appropriate of assessing the capital value of the Property is to take the four comparables, that is to include the price of Flat 11, and applying a square footage assessment gives an average of £584 per square foot.
49. We then considered the schedule prepared by Mr Balcombe at page 177 of his report. Although this shows a figure of £12,108,000 he has in fact adopted a figure of £12,100,000. If we divide this by the average price per square foot adopted by Mr Balocome of £622, this gives a square footage of 19,466 for the

Property. Taking that figure and applying what we assess to be the average square footage of £584, gives a capital value of £11,368,144. That we, therefore, assess to be the market value of the Property both at the date of rent review and at the valuation date. If we take that figure and apply the agreed rent review proportion of 0.00097, we get a rent of £11,027.

50. It is necessary to assess the market value of the flats for reversionary purposes as at the valuation date. In our finding there is no compelling evidence of improvements impacting on the value. Upgrading of these relatively small kitchens and bathrooms would in our finding add no value.
51. We then need to consider the capitalisation rate. We accept for the purposes of this case that a 7% capitalisation rate for the rent review contained within the terms of the lease is too low. It is a 'dynamic' rent review geared to capital values and can be differentiated from those capitalisation rates summarised by Mr Foulkes in his report that are either fixed rents or rents with a stepped rent. The question is, whether 5.33% or some other percentage is appropriate? We have noted all that has been said by Mr Balcombe in his report and in his evidence to us. This is his assessment which does not appear to have been the subject of any form of peer review or indeed a review by a Tribunal. We do not think that the basis upon which the Sportelli deferment rate was reached is appropriate for determining the capitalisation rate. Also if the analysis adopted by Mr Balcombe is re-worked using the lower capital values for the flats then a higher capitalisation rate is produced. This is not straightforward rent review. It has anomalies. Firstly, agreement cannot be reached between the parties. Secondly, a Chartered Surveyor has to be nominated by the RICS and the costs of such assessment have to be met by the lessor. We agree that that is likely to be somewhere between £3-5,000 plus VAT, although could be more. There would need to be some valuation of the individual flats, although they do fall into certain categories which may assist in that regard. Nonetheless, it is an element that any purchaser would need to take into account as they could well lose a goodly proportion of the first year's rent. That in itself it seems to us increases the capitalisation rate. Taking the matter in the round, we have come to the conclusion that the appropriate capitalisation rate for this development is 5.75%. This includes the risk associated with the investment, the terms of the rent review contained within the lease and the practicalities of collecting the ground rent on an annual basis.
52. The last matter to deal with is the value attributable to the storage units. It is interesting to note that the Respondent appears to have made no attempt to rent them out. They would have little or no security, sited as they are adjacent to the car parking area for which the lessee have access rights. They housed the electrical supply for the Property and a large manhole cover was in one floor. We had no real evidence as to the rental value that may be achieved, if indeed they are capable of being rented out. In those circumstances we do not ascribe any value to these areas.
53. Taking these matters into account, we conclude that the price payable for the freehold is £262,818.00.

Judge: Andrew Dutton
A A Dutton

Date: 6th September 2017

**Tennyson Lodge, Paradise Square
Oxford, OX1 1UD**

Total Capital Value	£11,368,144
Rental Value - 0.00097	£11,027
Deferment Rate	5%
Capitalisation Rate	5.75%

Freeholder's Present Interest
Term

Rent Reserved	£11,027	
YP to 103.93 years at 5.75 %	<u>17.3392</u>	
		£191,199

FH reversion	£11,368,144	
PV of £1 in 103.93 years @ 5%	<u>0.0063</u>	
		£71,619

Premium for enfranchisement £262,818

ANNEX – RIGHTS OF APPEAL

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-Tier at the Regional Office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional Office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28-day time limit, such application must include a request to an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (ie give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.