

**Residential
Property**
TRIBUNAL SERVICE

**LONDON RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

Case Reference: LON/00AW/OCE/2008/0013

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

Premises: 31 Cadogan Square and 130 Pavilion Road London SW1

Applicants: The Earl Cadogan

Respondent: 31 Cadogan Square Freehold Ltd

Appearances for Applicant: Mr K Munro of Counsel

Appearances for Respondent: Mr Walker of Counsel

Date of Hearing: 13 and 14 May 2008 and 3 July 2008, the Tribunal met in Chambers on 4 and 11 July 2008 to consider its decision.

Date of inspection : 3 and 4 July 2008.

Date of Decision: 11 July 2008

Leasehold Valuation Tribunal:

Mrs F J Silverman LLM

Mr J Avery BSc FRICS

Mr C Leonard LLB

Introduction

1 The Applicant brought an application under s24 Leasehold Reform Housing and Urban Development Act 1993 in relation to the acquisition of the freehold interest in the property by the Respondent (nominee purchaser).

2 The initial notice was served on 29 August 2007 and an application was made to the Tribunal on 7 January 2008. The valuation date is 29 August 2007.

3 The hearing took place before a Tribunal on 13 and 14 May 2008 and was continued on 3 July 2008 with the Tribunal meeting to consider its decision on 4 and 11 July 2008.

Inspection and description of the property

4 The Tribunal inspected the property on 3 July 2008 and returned to the property on 4 July 2008 to view flat 2, access to that flat being unavailable on the date of the first inspection.

5 The property comprises a Grade II listed mid-terrace house facing the gardens in the middle of the east side of Cadogan Square, Chelsea London SW1. The property is of brick construction with a basement, ground and five upper floors. At the rear is the mews property 130 Pavilion Rd which also forms part of the claim.

6 Originally constructed as a single dwelling house 31 Cadogan Square is now presented as five self contained flats/maisonettes (all save the basement caretaker's flat are split level). A spacious hallway contains a staircase giving access to the upper floors and a lift.

7 The tenants of Flats 3 and 4 and of 130 Pavilion Road are participating tenants. The only eligible tenant who is not participating is the owner of Flat 2 (ground and first floors).

8 The basement flat, currently occupied by the caretaker, contains a living room, kitchen, bathroom and two bedrooms, is relatively dark and unmodernised and contains the boiler room which services the whole property.

9 Flat 2 (owned by a non-participating tenant) comprises the ground and first floors of the building and has an awkward access arrangement between the main kitchen and the dining room. Access from the kitchen to the dining room is gained either by exiting the flat at ground floor level, crossing the common parts corridor adjacent to the lift and re-entering the flat through another main door, or by a lengthy interior route involving corridors and staircases. Apart from the kitchen and dining room it contains three double bedrooms, three bathrooms (one ensuite) a study, drawing room and small

kitchenette. It also contains the original main staircase and grand pillared landing of the building. While the front rooms overlook the Square gardens, the rear rooms merely overlook rooftops and chimneys. Apart from a very small first floor balcony there is no outside space. The flat is spacious, luxurious and immaculately maintained but suffers from an inconvenient layout which might make it somewhat difficult for use as a family home.

10 Flat 3 comprising the second and third floors of the building contains a kitchen, reception room with a small balcony overlooking the garden, three bedrooms (one en suite) and a family bathroom. The lift servicing the building gives direct private access to this flat.

11 The accommodation in Flat 4, comprising the two uppermost floors of the building and accessed either from the common staircase or lift, is similar to that of Flat 3 but does have the benefit of a dining room and small roof terrace at the rear of the building.

12 Both Flat 3 and 4 are luxurious and well maintained.

13 To the rear of the property and accessed from Pavilion Road is the mews property (130 Pavilion Road) which comprises a small kitchen, large open plan room and small cloakroom on the ground floor. The upper floor contains two bedrooms a bathroom and a utility/laundry room. A separate garage exists at the side of the property. At present the property is dark uninviting and in need of modernisation.

Agreed matters

14 A large number of matters pertaining to the valuation issues had been agreed by the parties prior to the hearing. These were set out in an agreed statement of facts which was produced to the Tribunal and since they are not in dispute are not recited here. These factors have however been taken into account in the Tribunal's decision and valuation of the property.

Issues

15 By the date of the resumed hearing a number of facts had been agreed by the parties and the only issues to be decided by the Tribunal were:

15.1 Whether the property should be valued as a house or as flats

15.2 The correct deferment rate

15.3 The value of flat 2

15.4 The price to be paid for the freehold acquisition

15.5 Terms relating to covenants and easements to be contained in the transfer.

16 An issue previously in dispute between the parties relating to the extent of the property to be included in the transfer had been resolved in that the freeholder conceded in the light of the House of Lords decision in *Aggio*

[2008] UKHL 44 that the basement flat and boiler room would be included in the transfer to the nominee purchaser.

Covenants and easements

17 The Applicant freeholder had sought to impose on the nominee purchaser covenants restrictive of use of the property for the remainder of the unexpired term of the lease and, in slightly modified form, after its expiry.

18 The Nominee purchaser objected to the wording of the covenant but was prepared to accept a restriction in modified form. The disputed covenant appears as paragraph 2 of the second schedule to the amended draft transfer which was put before the Tribunal. Paragraphs 1 and 3 of that Schedule were not disputed and shall therefore be included in the transfer to the Respondent.

19 In relation to paragraph 2 of the covenants Counsel for the Respondent nominee purchaser argued that in order to impose the covenant, the freeholder would need to show that the wording of his restriction complied with paragraph 5 (i) (b) of Schedule 7 of the Leasehold Reform Housing and Urban Development Act 1993. He maintained that the covenant would need to be 'capable of benefiting other property and of enhancing the value of the other property'.

20 The Tribunal accepts that the imposition of a restriction limiting the maximum number of units into which the property may be sub-divided and used would be for the benefit of other property owned by the freeholder and would serve to enhance the value of that other property. This includes the concept of maintaining the value of the landlord's other property (*Moreau v Howard de Walden Estates* [LRA /2/2002]). We do not however believe that a restriction imposing a minimum number of units would be beneficial to the landlord's other property. It would not therefore comply with the requirements of paragraph 5 (i) (b) Schedule 7 Leasehold Reform Housing and Urban Development Act 1993.

21 The Tribunal does not consider that it has power to alter substantially the covenant proposed by the Applicant but it does have power to amend the proposed covenant to ensure compliance with the statute. The Respondent said in closing submissions that they would accept a covenant in the following wording: 'Not to carry on or permit to be carried on at the property or any part thereof any trade business or profession and not to use or permit or suffer the property or any part thereof to be used for any auction exhibition meeting or public entertainment or any illegal or immoral purpose or otherwise'. This wording formed part of the covenant proposed by the Applicant.

22 The Tribunal considers that the wording as set out above complies with the statute, gives sufficient protection to the Applicant against undesirable uses of the property and thus is the wording which we propose shall be included in the transfer. We consider that the original wording as proposed by the Applicant was more restrictive of user than was necessary to protect and

benefit the Applicant's other properties in that it prescribed the minimum number of units into which the property was to be divided until the date when the lease term would have expired (if enfranchisement had not taken place) and also sought to restrict user after that date.

23 The third schedule of the proposed transfer contained exceptions and reservations. Clause 1 of this Schedule had by mutual agreement been deleted and the wording of the remainder of the Schedule had been agreed by the parties prior to the hearing.

24 At the resumed hearing an amended transfer was produced which contained amendments to Schedule 4 of the draft transfer (rights granted to the Respondent). The Tribunal approves the wording of this Schedule as amended in red on the copy produced at the resumed hearing and appended hereto. It considers that the original unamended proposal for the wording of this Schedule was inadequate for purpose and did not conform to current drafting of similar easements in normal conveyancing documentation.

Valuation as a house or as flats

25 The Applicant argued that the property, although currently divided into and used as flats, should nevertheless be valued as a single house (with mews attached). This was on the basis that the property could at the reversion date revert to use as a single dwelling house as had already happened to a small number of houses in the surrounding area. There was as at the valuation date a demand for houses in prime central London and that demand was expected to continue.

26 The Respondent argued that the property should be valued as flats ie in its current state.

27 Both parties valuers agreed that the property was worth more as a house and both valuers' evidence had started off with house (rather than flat) valuations.

28 In relation to this issue Mr Simon Avery, giving evidence for the Applicant, said that in his view planning permission for the redevelopment of the property into a single house would not be needed, but even if it was needed then it would be granted.

29 For the Respondent, Mr Reynolds took a different view and said that in the light of correspondence he had had with the local planning authority, he thought that planning permission for the reconversion would be necessary. His view was however coloured by his mistaken view as to the number of units into which the property was presently divided.

30 It appears from the evidence of the parties' surveyors that there may be some inconsistency in the current planning policy applied by the local planning authority in this area.

31 Generally we preferred the evidence of Mr Avery because he was able to demonstrate a reasonable case to the effect that planning permission would not be required. Although Mr Reynolds' evidence to the effect that planning permission would not be given was less convincing he did produce clear evidence to the effect that the local planning authority is not always consistent in its approach .

32 There was as at the valuation date a demand for houses in prime central London and that demand was expected to continue. The Tribunal's view was that to draw any other conclusion as to demand would be mere speculation.

33 Accordingly our conclusion is that there is a small risk in this case that planning permission for a reversion might be needed (and thus a risk that it might be refused) and therefore this would need to be taken into account by any prospective purchaser and in the Tribunal's valuation. We consider that a discount of 5% from the vacant possession value is appropriate to reflect this risk.

34 Having regard to the relevant statutory provisions the Tribunal is of the opinion that any valuation must take as its starting point the highest value of the property in question. This is agreed as being its value as a single house and accordingly this is the approach taken by the Tribunal to the valuation.

Deferment rate

35 There is no dispute that the premises are in Prime Central London and the decision by the Court of Appeal in *Sportelli*, confirming the Lands Tribunal, determined that in the absence of persuasive evidence, reversions should be deferred at 4.75% for houses and 5% for flats. The Tribunal was invited by the Applicant to adopt as the deferment rate 4.75% on the basis that the reversion is to the premises as a house with vacant possession. The Respondent argued that, since the premises are presently flats and will remain so until the end of the lease, the rate for flats should be used, ie 5%. Mr Walker supported his argument by referring to the Lands Tribunal observation that, in valuing flats, there should be no distinction made whether or not a head lease were in existence, and that the Court of Appeal decision therefore made 5% binding on the Tribunal.

36 The Tribunal observes that the Court of Appeal did not consider the issue of the existence or otherwise of a head lease. Irrespective of that however the words used in the Lands Tribunal decision specifically refer to the valuation of Flats with and without a head lease. Since the quarter per cent difference is intended to relate to the additional management problems of flats compared to a house it is the position at reversion that is relevant to the deferment rate, ie when a head lease will have ended. If the basis of the valuation of the reversion is a house (as above), then the existence or

otherwise of a head lease of flats is irrelevant, and the deferment rate should be as a house.

Valuation evidence and conclusions

37 Both valuers acknowledged that the property would be worth more as a single family house rather than in its present configuration.

38 For the Applicant Mr Scott-Barrett relied on three recent sales of houses in Cadogan Square. He referred in his evidence to a number of transactions outside the Square but at the hearing it was agreed between the parties' respective valuers that comparables should be restricted to transactions within the Square.

39 He cited no 16 which had sold for £28 million in May 2007 without a mews or garage and although modernised with an unsatisfactory internal layout. No 36 had sold for £18 million in May 2007, with a mews but unmodernised. No 28 had sold for £12.6 million in April 2006. This property had a mews and was partly modernised but had an unsatisfactory layout. That property has since undergone substantial further refurbishment .

40 Mr Scott-Barrett also mentioned no 23 but discounted this as a true comparable owing to its inferior location.

41 He made adjustments to the prices to reflect the differences between the cited comparables and the subject property to include both reconversion opportunities and time differences of the transactions and arrived at the following prices per square foot.

No 16 - £2042

No 36 £2312

No 28 £1964.

His conclusion was that the value per square foot of no 31 was £2000.

42 Mr Orr-Ewing, giving evidence for the Respondent had used the same comparables with the addition of no 24 which had a sale price in May 2006 of £6.7 million including a mews house. After adjustments the price per square foot came to £1547. On a further sale in May 2007 no 24 achieved a sale price of £10.35 million which after adjustments gives a rate of £1581 per square foot.

43 Mr Scott-Barrett had not included this house as it was not directly comparable with the subject property. The top two floors of no 24 formed part of a lateral flat occupying floors in the adjacent building .

44 In the case of no 16 Mr Orr-Ewing's adjusted rate was £2126 per square foot. This figure was calculated from an adjusted value of a sale in 2001 which despite the date of the previous sale Mr Orr-Ewing maintained

was still relevant because it represented the only example of a building then divided into flats being sold for reconversion.

45 His other adjusted rates were for no 36 £1840 per square foot and for no 28, £1714. Taking the average of the transactions as £1689 per square foot he rounded this figure up to £1700.

46 In the opinion of the Tribunal Mr Orr-Ewing had given too much weight to old transactions in a market which had moved upwards quickly in a short time and should have discounted no 24 because of its missing upper floors. If the old transactions and no 28 are omitted from his calculations his average becomes £1893 per square foot.

47 The Tribunal inspected the exterior of the comparables and found that there was little difference in location save that some have a slightly better view of the Square gardens.

48 It does not reject the detailed adjustments made by Mr Orr-Ewing but accepts that the exercise is essentially imprecise. Giving equal weight to the evidence of the adjustments of the comparables which the Tribunal considers to be relevant, the rate per square foot is the average of the two rates of £2000 and £1893, ie £1946.

49 This gives a freehold value for the property with vacant possession for conversion to a house at the agreed floor area of 12,592 square feet of £24,504,000, say £24.5 million.

50 The other valuation is of the maisonette on the ground and first floor in its improved condition (flat 2) . Mr Scott-Barrett gave very little evidence for his value of £2300 per square foot (£8.365 million) apart from referring to a flat at no 50 which sold for a price which adjusts to £2262 per square foot. Mr Orr-Ewing also referred to no 50 and cited nos 35 and 53 which had sold for prices which adjusted to £2137 and £1952 respectively.

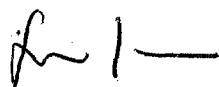
51 Both parties acknowledged the difficult layout of the flat. A representative of the owner of flat 2 had suggested that a figure of £3000 per square foot would be required to 'buy in' the flat. Neither of the parties' valuers agreed with this estimate.

52 Since in this case the sum is a cost that any developer would have to bear in order to reconvert the property it is reasonable to assume that the hypothetical purchaser on the valuation date would make allowance for the possibility of paying a relatively high price and the Tribunal accordingly adopts the higher of the two valuers' figures of £9.0875 million.

53 The net freehold value at reversion after buying in flat 2 is therefore £14,187,500.

Decision

- A. The reversion is to be valued as a house.
- B. The improved value of flat 2 is assessed at £9,087,500.
- C. The deferment rate is 4.75%.
- D. The price payable for the freehold reversion is £7,503,373 as set out on the annexed Schedule.
- E. The wording of the covenants and easements to be included in the transfer are as set out in paragraphs 21-24 above and shown on the annexed copy of the draft transfer.



Frances Silverman
Chairman
11 July 2008

Date of Valuation	29-Aug-07	
Expiry of Head Lease	25-Mar-23	
Term unexpired	15.570 years	
Ground rents paid	£50	
PV in 15,57 yrs at 4.75%	0.4855	
House value with vacant possession	£24,500,000	
Deduction for planning risk	5%	
House value after deduction for risk	£23,275,000	
Cost to buy in Flat 2	£9,087,500	
Value of reversion	£14,187,500	
Expiry of underleases (except flat 2)	22-Mar-23	
Terms unexpired	15.562 years	
Expiry of underlease flat 2	25 March 2113	
Value of freehold income	£533	
Value of head lease income	£674	
<u>Flat values</u>	<u>Freehold</u>	<u>Current lease</u>
3 Second and third	£2,960,784	£1,095,490
4 Fourth and fifth	£2,465,814	£912,351
130 Pavilion Rd	£3,081,888	£1,140,299
Total of participating flats	£8,508,486	£3,148,140
1 Caretaker's flat (NP)	£1,174,500	
2 Ground and first (NP)	£9,087,500	
	<u>£18,770,486</u>	

<u>Freeholder's present interest</u>		
Capitalised ground rent		£533
Reversion to vacant possession	£14,187,500	
PV in 15,57 yrs at 4.75%	<u>0.4855</u>	
		<u>£6,888,031</u>
		£6,888,564

<u>Freeholder's Interest in Participating Flats under 80 years</u>		
Apportioned ground rent	Agreed	£533
Reversion to vacant possession	£8,508,486	
PV in 15,57 yrs at 4.75%	<u>0.4855</u>	
		<u>£4,130,870</u>
		£4,131,403

<u>Head Lessee's present interest</u>		
Ground rents	Agreed	£674
Reversion		Nil

Head Lessee's Interest in participating flats under 80 years	
Ground rents received	£674

Marriage Value	
Freehold Value of Participating Flats	£8,508,486
Less:	
Freehold interest in Participating Flats	£4,131,403
Head Lessee's Interest	£674
	<u>£4,132,077</u>
Participators' current Interests	<u>£3,148,140</u>
	<u>£7,280,217</u>
Marriage value	<u>£1,228,269</u>
Share	<u>50%</u>
	£614,135

Apportionment of Marriage Value:			
Head Lessee's Share	<u>£674</u>	0.02%	£100
	£4,132,077		
Freeholder's Share	<u>£4,131,403</u>	99.98%	£614,034
	£4,132,077		
			<u>£614,135</u>

Compensation to Freeholder:			
Current Interest	£6,888,564		
Share of Marriage Value	<u>£614,034</u>		
		£7,502,599	
Compensation to Head Lessee:			
Current Interest	£674		
Share of Marriage Value	<u>£100</u>		
		<u>£774</u>	
Total			<u>£7,503,373</u>

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**Transfer of part
of registered title(s)**

Land Registry

TP1

1. Stamp Duty

Place "X" in the appropriate box or boxes and complete the appropriate certificate

- It is certified that this instrument falls within category in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987
- It is certified that the transaction effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds the sum of £
- It is certified that this is an instrument on which stamp duty is not chargeable by virtue of the provisions of section 92 of the Finance Act 2001

2. Title number(s) out of which the Property is transferred *Leave blank if not yet registered.*
Title Shown Note NGL61 (Edition 5)

3. Other title number(s) against which matters contained in this transfer are to be registered, if any

4. Property transferred *Insert address, including postcode or other description of the property transferred. Any physical exclusions e.g. mines and minerals, should be defined. Any attached plan must be signed by the transferor.*

31 Cadogan Square and 130 Pavilion Road London SW1

The Property is defined: Place "X" in the appropriate box

- on the attached plan and shown edged red with the area coloured green comprising basement vaults only *State reference e.g. "edged red"*
- on the Transferor's title plan and shown *State reference e.g. "edged and numbered 1 in blue"*

please provide plan for approval

5. Date

6. Transferor *Give full name(s) and company's registered number, if any*

The Right Honourable Charles Gerald John Earl Cadogan + *Cadogan Estates Limited*

7. Transferee for entry on the register *Give full name(s) and company's registered number, if any. For Scottish companies use an SC prefix and for limited liability partnerships use an OC prefix before the registered number, if any. For foreign companies give territory in which incorporated.*

31 CADOGAN SQUARE FREEHOLD LIMITED (company registration number 05506459)

Unless otherwise arranged with Land Registry headquarters, a certified copy of the Transferee's constitution (in English or Welsh) will be required if it is a body corporate but is not a company registered in England and Wales or Scotland under the Companies Acts.

8. Transferee's intended address(es) for service (including postcode) for entry on the register *You may give up to three addresses for service one of which must be a postal address but does not have to be within the UK. The other addresses can be any combination of a postal address, a box number at a UK document exchange or an electronic address*

Bircham Dyson Bell LLP of 50 Broadway London SW1H 0BL

9. The Transferor transfers the Property to the Transferee

10. Consideration Place "X" in the appropriate box. State clearly the currency unit if other than sterling. If none of the boxes applies, insert an appropriate memorandum in the additional provisions panel

- The Transferor has received from the Transferee for the Property the sum of *In words and figures*
- Insert other receipt as appropriate. See panel 13
- The transfer is not for money or anything which has a monetary value

11. The Transferor transfers with Place "X" in the appropriate box and add any modifications.

- full title guarantee
- limited title guarantee

12. Declaration of trust Where there is more than one Transferee place "X" in the appropriate box

- The Transferees are to hold the Property on trust for themselves as joint tenants
- The Transferees are to hold the Property on trust for themselves as tenants in common in equal shares
- The Transferees are to hold the Property *Complete as necessary*

13. Additional provisions

Use this panel for

- definitions of terms not defined above
- rights granted or reserved
- restrictive covenants
- other covenants
- agreements and declarations
- other agreed provisions

The prescribed subheadings may be added to, amended, repositioned or omitted.

1. In consideration of _____ pounds (£) paid by the Transferee to Cadogan Estates Limited (in its capacity of beneficial owner) of 18 Cadogan Gardens London SW3 2RP ("the Company") at the direction of the Transferor (the payment and the receipt whereof the Transferor and the Company hereby respectively acknowledge) the Transferor hereby transfers the freehold interest in the Property to the Transferee at the direction of the Company with limited title guarantee
2. The Company declares that until the date of this Transfer it is solely entitled to the beneficial interest in the freehold interest in the Property
3. The freehold interest in the Property is transferred subject to and with the benefit of the lease ("the Lease") short particulars of which are set out in the First Schedule hereto in so far as such leasehold interest is subsisting and remains in effect
4. The Transferee hereby covenants with the Transferor and by way of separate covenant with the Company to observe and perform the covenants set out in the ^{Second} Third Schedule hereto to the intent that the benefit of these covenants may be annexed to and run with the adjoining or neighbouring lands of the Transferor and of the Company known as the Cadogan Estate in Chelsea and each and every part thereof and to the intent that the burden of the same may run with and bind the Property into whosoever hands the same may come but not so as to render the Transferee (or any successor in title of the Transferee) personally liable in damages for any breach after the Transferee (or its successor in title as the case may be) shall have parted with all interest in the Property
5. The Property is sold subject to the exceptions and reservations to the Transferor and the Company and any person or persons authorised by him or it of the rights set out in the Fourth Schedule hereto *and with the benefit of the rights granted to the Third Transferee set out in*
6. The Transferee and the Transferor declare and agree in accordance with the terms set out in the Fifth Schedule hereto *Fourth Schedule*

THE FIRST SCHEDULE

the Lease

A lease dated 24 June 1951 granted for a term of 71½ years from 24 June 1951 registered at the Land Registry under title number LN97031

THE SECOND SCHEDULE

The covenants

1. Not without the previous written consent of the Transferor and the Company (such consent not to be unreasonably withheld or delayed) to alter or permit or suffer to be altered the plan height or elevation of any building now or hereafter on the Property or the external architectural appearance or the external architectural decoration thereof and not to erect or permit or suffer to be erected on the Property any new or additional building
2. Not to carry on or permit to be carried on at the Property or any part thereof any trade business or profession and not to use or permit or suffer the Property or any part thereof to be used for any auction exhibition meeting or public entertainment or any illegal or immoral purpose or otherwise than as follows

~~Until 25 March 2023~~

~~31 Cadogan Square~~

~~Ground and first floors~~

~~Second and part third floor~~

~~Part third and fourth and fifth floors~~

~~130 Pavilion Road~~

~~Single private dwelling house~~

~~a self-contained maisonette)~~

~~a self-contained maisonette)~~

~~a self-contained maisonette)~~

as each such unit to be used as a

private residence in one family

occupation only

~~From 26 March 2023 either as set out above or as a single private dwellinghouse (to include 130 Pavilion Road) such to be in the occupation of one family only.~~

~~[This user provision proceeds on the basis that the decision in Les Aggie is not overturned by the House of Lords. Should such decision be overturned then the Applicant reserves its right to require a different user provision.]~~

3. Not to do or suffer to be done on the Property or any part thereof any act or thing that may be or become a nuisance or annoyance to the Transferor or the Company or his or its tenants or to the owners or occupiers of any adjoining or neighbouring properties

THE THIRD SCHEDULE

The exceptions and reservations

1. There is excepted and reserved to the Transferor and the Company and his and its successors in title and any person or persons authorised by them full right at any time or times to rebuild or alter any adjoining or adjacent buildings or erect new buildings on the Transferor's and the Company's said adjoining or neighbouring property to such height elevation extent or otherwise as he or it may think fit without payment of compensation to the Transferee it being hereby agreed that the access of light and air to any building now standing or hereafter to be erected on the Property shall until interrupted be deemed to be enjoyed by virtue of this Transfer which shall be deemed to constitute a consent or agreement in writing for that purpose within the meaning of section 3 of the Prescription Act 1832 and accordingly that the enjoyment thereof shall not nor shall this Transfer prevent any such rebuilding alteration or erection as aforesaid
2. There is excepted and reserved to the Transferor and the Company and his and its successors in title in fee simple all underlying minerals comprised in the Property subject to proper provision being made for the support of the building on the Property in the event of the Transferor or the Company or his or its successors in title excavating the said minerals
3. There is excepted and reserved to the Transferor and the Company and his and its successors in title for the benefit of the adjoining and neighbouring properties of the Transferor and the Company comprising the Cadogan

Estate in Chelsea rights over the Property in the terms specified in paragraph 3(1) of Schedule 7 to the Leasehold Reform, Housing and Urban Development Act 1993

THE FOURTH SCHEDULE

Rights granted

1. The right in common with all others entitled to the like right of the passage of water ^{and any other existing services} electricity gas and sewage through the adjoining property of the Transferor
2. The right of support shelter and protection for the Property from the Transferor's adjoining property
3. So far as the Transferor is able to grant the right of access ^{with or without workmen or others} in the case of emergency to adjoining properties at all reasonable times at convenient hours during the daytime upon reasonable notice (but at any time in the case of emergency) to the adjoining property ^{for the purpose of inspecting, maintaining, repairing or renewing the pipes and the sewers, pipes, wires, and cables drains, pipes and other service media serving the Property} ~~THE FIFTH SCHEDULE~~ of inspecting, maintaining, repairing or renewing the pipes and the sewers, pipes, wires, and cables drains, pipes and other service media serving the Property
1. This Transfer is executed for the purpose of Chapter 1 of Part I of the Leasehold Reform, Housing and Urban Development Act 1993
2. The covenant set out in section 3(1) of the Law of Property (Miscellaneous Provisions) Act 1994 does not extend to any charge, encumbrance or other right of which either the Transferor or the Company does not have actual knowledge

14. Execution The Transferor must execute this transfer as a deed using the space below. If there is more than one Transferor, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If the transfer contains Transferee's covenants or declarations or contains an application by the Transferee (e.g. for a restriction), it must also be executed by the Transferee (all of them if there is more than one)

Signed as a deed by the said THE RIGHT HONOURABLE CHARLES GERALD JOHN EARL CADOGAN in the presence of:

Signature of The Right Honourable Charles Gerald John Earl Cadogan

Signature of witness _____
Name (in BLOCK CAPITALS) _____
Address _____
Occupation _____

The common seal of CADOGAN ESTATES LIMITED was affixed in the presence of:

Common seal of Cadogan Estates Limited

Signature of director

Signature of secretary

The common seal of 31 CADOGAN SQUARE RESIDENTS' ASSOCIATION LIMITED was affixed in the presence of:

Common seal of 31 Cadogan Square Residents' Association Limited

Signature of director

Signature of secretary

The common seal of 31 CADOGAN SQUARE FREEHOLD LIMITED was affixed in the presence of:

Common seal of 31 Cadogan Square Freehold Limited

Signature of director

Signature of secretary