

4430



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

Case reference : LON/00AG/OCE/2016/0201

Property : 1-20 New College Court, Finchley Road, London, NW3 5EX

Applicant : New College Court Freehold Ltd

Representative : Mr T Dutton QC of Counsel

Respondent : City & Country Properties Ltd

Representative : Mr A Radevsky of Counsel

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

Tribunal members : Judge I Mohabir
Mr L Jarero BSc FRICS

Date of hearing and venue : 13-14 December 2016 at
10 Alfred Place, London WC1E 7LR

Date of decision : 8 February 2017

DECISION

Background

1. This is an application made by the Applicant as the nominee purchaser pursuant to section 24 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for a determination of the premium to be paid for the collective enfranchisement of 1-20 New College Court, Finchley Road, London, NW3 5EX (“the property”).
2. By a Notice of Claim dated 26 October 2015 served pursuant to section 13 of the Act, the Applicant, as the nominee purchaser, exercised the right to acquire the freehold interest of the property.
3. The freehold of the Property is owned by the Respondent and is subject to a 999 year headlease held by Brickfield Properties Ltd (“the headlease”). The property is comprised of 20 flats, three of which are not let on long leases. It is agreed that there will be leasebacks of them to the Respondent, the terms of which have been agreed. It is also agreed that there will be leasebacks of the commercial premises on ground floor and of an advertising hoarding on the flank wall, which does not concern this application.
4. The Applicant proposed a purchase price of £790,000 for the freehold interest and £930,000 for the various leasehold interests including those of the non-participating flats numbered 2, 3, 6 and 15.
5. By a counter notice dated 22 December 2015 served pursuant to section 21(2)(a) of the Act, the Applicant admitted the Respondent’s right to acquire the freehold interest and counter proposed a purchase price of £367,684 for the freehold interest and £1,054,342 for the leasehold interests set out above and a further £100 for appurtenant property at the rear.
6. The expert valuation evidence relied on by the Applicant and the Respondent is set out in the reports of Mr Andrew Cohen MRICS and

Mr Robin Sharp BSc FRICS. dated February (and 3 March) 2016 and 24 February 2016 respectively.

Matters Agreed & Not Agreed

7. The respective valuers prepared the annexed joint statement of agreed facts setting out the valuation matters that had been agreed.
8. The only valuation issues that fell to be determined by the Tribunal were the long leasehold value of the flats under the headlease and the values of the existing leases of the participating tenants' flats with unexpired terms of less than 80 years, being Flats 7, 8, 12 and 16.

Hearing

9. The hearing in this case took place on 13 December 2016. The Applicant was represented by Mr Dutton QC of Counsel. The Respondent was represented by Mr Radevsky of Counsel. The Tribunal had the benefit of inspecting the property on the following day.

Long Leasehold Value of the Flats

10. The 6 comparable properties relied on by Mr Cohen are set out in Appendix D to his report together with his analysis of those sale transactions.
11. Mr Cohen's evidence was that the best comparable was 9 New College Court in the same block, which sold in October 2014 for £422,500. It is a one bedroom fifth floor flat in good condition and with an extended lease. Based on the agreed GIA of 625 square feet, this equates to £676 per square foot. Mr Cohen then adjusted the sale price for time using the Flat Price Index for the London Borough of Camden (as did Mr Sharp) published by the Land Registry using a figure of 7.1% and then by a further uplift of 1% to freehold to give an adjusted value of £426,020 or £697 per square foot.

12. As a cross check, Mr Cohen's 5 other comparable properties are located in College House, New College Parade, which is located nearby. These flats had been converted from offices and were sold in a good and modern condition in August 2015 with a 999-year lease. A similar analysis of these transactions provided an average of £704 per square foot, which he adopted as his base value. Mr Cohen then adjusted the value by 1% per floor on the basis that the higher floors commanded better views and were not subject to the same degree of noise nuisance as the lower floors.
13. Mr Cohen also added hope value that he considered to be payable in respect of Flats 2, 3, 6 and 15, being non-participating leaseholders with lease terms below 80 years in order to calculate marriage value. He relied on the Upper Tribunal decision in the cases of *Culley v Daejan Properties Ltd* and *Erkman v Earl of Cadogan (42 Cadogan Square)*. Having done so, concluded that hope value of 15% of the marriage value was payable in respect of Flats 3, 6 and 12 and 20% in respect of Flat 15.
14. In cross-examination, College House was not inferior to the subject property despite the fact that it contained commercial premises on the ground floor. However, he went on to qualify his evidence by conceding that Flat O in College House was larger than the subject flats and this would have the effect of bringing his psf figure down. Similarly, he accepted that he had wrongly analysed the psf figure for Flat P in College House and that Flat M was much smaller and could not properly be regarded as being comparable.
15. Mr Sharp used a 'basket' of 4 comparable properties set out at paragraph 5.6 of his report. He analysed each sale by adjusting for time using the same index as Mr Cohen and then variously for location to the subject property and then an uplift of between 1-5% to give a near freehold value. This produced an average value for a 1 bedroom flat of £480,665 or £830 per square foot.

16. Mr Sharp then went on to discount 4 New College Court from his calculations on the basis that it was the most distant sale in time and was a smaller flat. Having done so, his average values above were reduced to £473,960 or £819 per square foot. He then reduced the latter figure to £810 per square foot because the average tended towards the upper level flats, which are less affected by noise nuisance and have better natural light.
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17. In cross-examination, he did not materially resile from the evidence contained in his report.

Existing Lease Values (Relativity)

18. This is only relevant to flats 7, 8, 12 and 16. Mr Cohen considered that there were sufficient market sales in New College Court to assess the appropriate freehold relativity. These are set out at Appendix G of his report. Specifically, he analyses the sales of 8 and 15 New College Court then adjusted for floor level, time and 'No Act world' rights using Savills non-enfranchisement index. This resulted in an average of £565 per square foot, which equated to a relativity of 82.7% and contended for this figure.
19. Mr Sharp limited his analysis to the sale of Flat 15 in the subject property, which was sold for £330,000 with the benefit of a section 42 notice in January 2015. He then made an upward adjustment of 5% for the improved condition in December 2015. He concluded that Flat 15 would have a valuation of £372,764 inclusive of 1993 Act right as at the valuation date.

20. Mr Sharp then made a deduction of 10% for 'No Act world' rights this resulted in a figure of £335,487, which in turn produced a relativity figure of 74.63. As a cross-check, he carried out a similar calculation in relation to Flats 8 and 9 in the subject property and this gave rise to an average relativity of 76.26%.
21. As a further cross check, he had regard to Savills Leasehold Enfranchisement – Analysis of Relativity table. This showed that a lease without 1993 Act rights to have a value of 77.9% of the freehold value, which supported his figure for relativity.

Decision

Long Lease Values

22. Having carefully considered the evidence and with the benefit of an inspection of the property, the Tribunal concluded that the most appropriate comparable flats were 4 and 9 New College Court and B, L, N, and P College House. The Tribunal then adjusted each of the sale prices for time using the Land Registry Index for the London Borough of Camden. In doing so, the Tribunal used the completion date for each of the sales because this was the only common factor used by the Land Registry and this permitted an analysis of the comparables on the same basis.
23. The Tribunal accepted Mr Sharp's general premise that an adjustment for the floor level for required for reasons of noise nuisance and a better aspect. However, the Tribunal considered that a first floor flat should be adopted as the base floor and then added 1% per floor and then added a further 1% uplift to the freehold value. The resulting average freehold value for the flats was £752 per square foot. This figure was then applied by the Tribunal to the agreed GIA for each of the subject flats to provide an adjusted freehold value.
24. As to the issue of relativity, the Tribunal did not consider that the analysis of the limited transactions relied on by both valuers was

sufficient to provide a true indication on relativity. For this reason, the Tribunal adopted the Savills Leasehold Enfranchisement – Analysis of Relativity table and concluded that a relativity of, say, 78% was appropriate for a lease without rights under the 1993 Act.

25. The Tribunal's valuation is set out in Appendices A-E annexed hereto. Appendix A sets out the tribunal's analysis of the basket of comparable properties.
26. Appendix B sets out the freehold values and the existing lease values at a relativity of 78% for the flats
27. Appendix C sets out the valuation of the non-participating flats (2, 3, 6 and 15) values on a term and reversion basis to which a percentage of the marriage value was added as 'hope value' to extend those leases at some future point in time. The Tribunal did not accept Mr Cohen's argument that the residual value of the headlease should be deducted, as it does not have one. He appeared to have confused this with a lease extension where the freeholder retains the freehold but here the freehold is being sold to the Applicant for £1.
28. Appendix D is the reversionary value of the long leasehold flats. There is no term as the ground rents are zero.
29. Appendix E is the valuation of the participating flats where the remaining term is less than 80 years and it is a term and reversion valuation plus the share of the marriage value.
30. Appendix F is the summary table for each element setting out the purchase price to be paid by the Applicant.

Judge I Mohabir

8 February 2017

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court London NW3 5EX

Schedule of comparables

Address	Sale Price	Date	GIA sq.ft.	Floor	Lease length	Adjust for time	Time adjusted value	Adjust for floor	Value adjusted for floor	Uplift for Freehold	Freehold value	Adjusted rate per sq ft
9 New College Court	£422,500	Oct 2014	625	5th	Long	107.58/101.29	£448,737	-4%	£430,788	1%	£435,096.00	£696
4 New College Court	£349,500	May 2012	550	2nd	Long	107.58/74.96	£501,590	-1%	£496,574	1%	£501,590.00	£912
N College House	£435,000	June 2015	622	1st	999 yrs	107.58/100.03	£467,833	0%	£467,833	0%	£467,833.00	£752
L College House	£405,000	July 2015	605	1st	999 yrs	107.58/103.16	£422,353	0%	£422,353	0%	£422,353.00	£698
P College House	£372,500	August 2015	624	1st	999 yrs	107.58/106.42	£376,560	0%	£376,560	0%	£376,560.00	£603
B College House	£405,000	April 2014	536	2nd	999 yrs	107.58/94.63	£460,424	-1%	£455,820	0%	£455,820.00	£850

Total £4,511

Average £752

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Schedule of values

Value per sq ft at 1st floor level = £752

	GIA sq. ft	Floor	Uplift due to floor	F/H value	Adjusted F/H value	Value of existing lease at 78% of freehold value	
Flat 2	550	1st	0%	£413,600	£413,600	£322,608	Non participating flat
Flat 3	625	2nd	1%	£470,000	£474,700	£370,266	Non participating flat
Flat 4	550	2nd	1%	£413,600	£417,736	£325,834	Participating flat
Flat 5	625	3rd	2%	£470,000	£479,400	£373,932	Participating flat
Flat 6	550	3rd	2%	£413,600	£421,872	£329,060	Non participating flat
Flat 7	625	4th	3%	£470,000	£484,100	£377,598	Participating flat
Flat 8	550	4th	3%	£413,600	£426,008	£332,286	Participating flat
Flat 9	625	5th	4%	£470,000	£488,800	£381,264	Participating flat
Flat 11	555	1st	0%	£417,360	£417,360	£325,541	Participating flat
Flat 12	589	1st	0%	£442,928	£442,928	£345,484	Participating flat
Flat 13	555	2nd	1%	£417,360	£421,534	£328,796	Participating flat
Flat 14	589	2nd	1%	£442,928	£447,357	£348,939	Participating flat
Flat 15	555	3rd	2%	£417,360	£425,707	£332,052	Non participating flat
Flat 16	589	3rd	2%	£442,928	£451,787	£352,394	Participating flat
Flat 17	555	4th	3%	£417,360	£429,881	£335,307	Participating flat
Flat 18	589	4th	3%	£442,928	£456,216	£355,848	Participating flat
Flat 19	555	5th	4%	£417,360	£434,054	£338,562	Participating flat

Flats 1, 10 & 20 subject to leaseback

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College CourtValuation of non-participating flats on short leases
Flats 2, 3, 6 & 15

Valuation Date	26 October 2015	
Leases expire on 24 March 2075		
Length of lease remaining	59.41 years	
Ground rents for flats 2 & 3 for next 26.41 years (per flat)	£100	
Ground rent for remaining 33 years (per flat)	£200	
Ground rents for flat 6 & 15 for next 26.41 years per flat)	£80	
Ground rent for remaining 33 years. (per flat)	£160	
Freehold value of flats		
Flat 2	£413,600	
Flat 3	£474,700	
Flat 6	£421,872	£1,310,172
Flat 15	£425,707	
Value of existing lease		
Flat 2	£322,608	
Flat 3	£370,266	
Flat 6	£329,060	
Flat 15	£332,052	
Capitalisation rate	6%	
Deferment rate	5%	
Value of headlessee's present interest		
Flats 2, 3 & 6		
Ground rent receivable	£280	
YP 26.41 yrs @ 6%	13.08965	£3,665
Reversion to revised ground rent	£560	
YP 33 yrs @ 6%	14.23020	
Deferred 26.41 yrs @ 6%	0.21460	£1,710

Marriage value. Flats 2, 3 & 6			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£1,310,172</u>		
		£1,310,172	
Value of interests before enfranchisement			
Headlessee	£77,565		
Tenant	<u>£1,021,934</u>		
		£1,099,499	
Marriage value		£210,673	
Hope value @ 15%			£31,601
Premium for flats 2, 3 & 6			£109,166
Marriage value. Flat 15			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£425,707</u>		
		£425,707	
Value of interests before enfranchisement			
Headlessee	£24,992		
Tenant	<u>£332,052</u>		
		£357,044	
Marriage value		£68,663	
Hope value @ 20%			£13,733
Premium for flat 15			£38,725
Total Premium for flats 2, 3, 6 & 15			£147,891

Appendix D

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Valuation of participating flats on long leases

Flats 4, 5, 9, 11, 13, 14, 17, 18, 19.

Valuation Date	26 October 2015
Leases expire on 3 March 2165	
Length of lease remaining	149.41 years
Ground rents for these flats for the term	£0
Value of freehold flats	
Flat 4	£417,736
Flat 5	£479,400
Flat 9	£488,800
Flat 11	£417,360
Flat 13	£421,534
Flat 14	£447,357
Flat 17	£429,881
Flat 18	£456,216
Flat 19	£434,054
Value of existing lease	
Deferment rate	5%

Value of headlessee's present interest

Flats 4, 5, 9, 11, 13, 14, 17, 18 & 19

Ground rent receivable	£0
Reversion to freehold value	£3,992,338
Deferred 149.41 yrs @ 5%	0.00068251

Value of headlessee's present interest	0.00068251	£2,725
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First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Valuation of participating flats on short leases

Flats 7, 8, 12 & 16

Valuation Date	26 October 2015	
Leases expire on 24 March 2075		
Length of lease remaining	59.41 years	
Ground rent for flats 7 & 16 for next 26.41 years (per flat)	£150	
Ground rent for remaining 33 years (per flat)	£300	
Ground rent for flat 8 for next 26.41 years	£80	
Ground rent for remaining 33 years	£160	
Freehold value of flats		
Flat 7	£484,100	
Flat 8	£426,008	
Flat 16	£451,787	£1,361,895
Value of existing lease		
Flat 7	£377,598	
Flat 8	£332,286	
Flat 16	£352,394	
Capitalisation rate	6%	
Capitalisation rate for flat 12	5%	
Deferment rate	5%	
Value of headlessee's present interest		
Flats 7, 8 & 16		
Ground rent receivable	£380	
YP 26.41 yrs @ 6%	13.08965	£4,974
Reversion to revised ground rent	£760	

YP 33 yrs @ 6%	14.23020		
Deferred 26.41 yrs @ 6%	0.21460	£2,321	
Reversion to freehold value	£1,361,895		
Deferred 59.41 yrs @ 5%	0.05510	<u>£75,040</u>	
			£82,335

Marriage value			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£1,361,895</u>		
	£1,361,895		
Value of interests before enfranchisement			
Headlessee	£82,335		
Tenant	<u>£1,062,278</u>		
	£1,144,613		
Marriage value		£217,282	
Divide equally between parties			<u>£108,641</u>
Premium for flats 7,8 &16			£190,976

Flat 12			
Lease expires on 24 June 2075			
Length of lease remaining	59.41 years		
Ground rent for next 26.41 years	£650		
Ground rent for remaining 33 years @ .002%	£877		
of long leasehold value			
Value of freehold	£442,928		
Value of existing lease	£345,484		
Value of extended lease	£438,499		
Capitalisation rate	5%		
Deferment rate	5%		
Value of headlessee's present interest			
Ground rent receivable	£650		
YP 26.41 yrs @ 5%	14.4866	£9,416	
Reversion to revised ground rent	£877		
YP 33 yrs @ 5%	16.0025		
Deferred 26.41 yrs @ 5%	0.2757	£3,869	
Reversion to freehold value	£442,928		
Deferred 59.41 yrs @ 5%	0.0551	<u>£24,405</u>	
			£37,690

Marriage value			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£442,928</u>		
	£442,928		
Value of interests before enfranchisement			
Headlessee	£37,690		
Tenant	<u>£345,484</u>		
	£383,174		
Marriage value		£59,754	
Divide equally between parties			<u>£29,877</u>
Premium for Flat 12			£67,567
Premium for flat 7, 8, 12 &16			£258,543

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

Valuation Summary

	Valuation
Flats 2, 3, 6 & 15	£147,891
Flats 7, 8, 12 & 16	£258,543
Flats 4, 5, 9, 11, 13, 17, 18 & 19	£2,725
Amenity Land	£100
Freehold	£1
Total Premium	<u>£409,260</u>

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24. As to the issue of relativity, the Tribunal did not consider that the analysis of the limited transactions relied on by both valuers was

sufficient to provide a true indication on relativity. For this reason, the Tribunal adopted the Savills Leasehold Enfranchisement – Analysis of Relativity table and concluded that a relativity of, say, 78% was appropriate for a lease without rights under the 1993 Act.

25. The Tribunal's valuation is set out in Appendices A-E annexed hereto. Appendix A sets out the tribunal's analysis of the basket of comparable properties.
26. Appendix B sets out the freehold values and the existing lease values at a relativity of 78% for the flats
27. Appendix C sets out the valuation of the non-participating flats (2, 3, 6 and 15) values on a term and reversion basis to which a percentage of the marriage value was added as 'hope value' to extend those leases at some future point in time. The Tribunal did not accept Mr Cohen's argument that the residual value of the headlease should be deducted, as it does not have one. He appeared to have confused this with a lease extension where the freeholder retains the freehold but here the freehold is being sold to the Applicant for £1.
28. Appendix D is the reversionary value of the long leasehold flats. There is no term as the ground rents are zero.
29. Appendix E is the valuation of the participating flats where the remaining term is less than 80 years and it is a term and reversion valuation plus the share of the marriage value.
30. Appendix F is the summary table for each element setting out the purchase price to be paid by the Applicant.

Judge I Mohabir

8 February 2017

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court London NW3 5EX

Schedule of comparables

Address	Sale Price	Date	GIA sq.ft.	Floor	Lease length	Adjust for time	Time adjusted value	Adjust for floor	Value adjusted for floor	Uplift for Freehold	Freehold value	Adjusted rate per sq ft
9 New College Court	£422,500	Oct 2014	625	5th	Long	107.58/101.29	£448,737	-4%	£430,788	1%	£435,096.00	£696
4 New College Court	£349,500	May 2012	550	2nd	Long	107.58/74.96	£501,590	-1%	£496,574	1%	£501,590.00	£912
N College House	£435,000	June 2015	622	1st	999 yrs	107.58/100.03	£467,833	0%	£467,833	0%	£467,833.00	£752
L College House	£405,000	July 2015	605	1st	999 yrs	107.58/103.16	£422,353	0%	£422,353	0%	£422,353.00	£698
P College House	£372,500	August 2015	624	1st	999 yrs	107.58/106.42	£376,560	0%	£376,560	0%	£376,560.00	£603
B College House	£405,000	April 2014	536	2nd	999 yrs	107.58/94.63	£460,424	-1%	£455,820	0%	£455,820.00	£850

Total £4,511

Average £752

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Schedule of values

Value per sq ft at 1st floor level = £752

	GIA sq. ft	Floor	Uplift due to floor	F/H value	Adjusted F/H value	Value of existing lease at 78% of freehold value	
Flat 2	550	1st	0%	£413,600	£413,600	£322,608	Non participating flat
Flat 3	625	2nd	1%	£470,000	£474,700	£370,266	Non participating flat
Flat 4	550	2nd	1%	£413,600	£417,736	£325,834	Participating flat
Flat 5	625	3rd	2%	£470,000	£479,400	£373,932	Participating flat
Flat 6	550	3rd	2%	£413,600	£421,872	£329,060	Non participating flat
Flat 7	625	4th	3%	£470,000	£484,100	£377,598	Participating flat
Flat 8	550	4th	3%	£413,600	£426,008	£332,286	Participating flat
Flat 9	625	5th	4%	£470,000	£488,800	£381,264	Participating flat
Flat 11	555	1st	0%	£417,360	£417,360	£325,541	Participating flat
Flat 12	589	1st	0%	£442,928	£442,928	£345,484	Participating flat
Flat 13	555	2nd	1%	£417,360	£421,534	£328,796	Participating flat
Flat 14	589	2nd	1%	£442,928	£447,357	£348,939	Participating flat
Flat 15	555	3rd	2%	£417,360	£425,707	£332,052	Non participating flat
Flat 16	589	3rd	2%	£442,928	£451,787	£352,394	Participating flat
Flat 17	555	4th	3%	£417,360	£429,881	£335,307	Participating flat
Flat 18	589	4th	3%	£442,928	£456,216	£355,848	Participating flat
Flat 19	555	5th	4%	£417,360	£434,054	£338,562	Participating flat

Flats 1, 10 & 20 subject to leaseback

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Valuation of non-participating flats on short leases

Flats 2, 3, 6 & 15

Valuation Date	26 October 2015	
Leases expire on 24 March 2075		
Length of lease remaining	59.41 years	
Ground rents for flats 2 & 3 for next 26.41 years (per flat)	£100	
Ground rent for remaining 33 years (per flat)	£200	
Ground rents for flat 6 & 15 for next 26.41 years per flat)	£80	
Ground rent for remaining 33 years. (per flat)	£160	
Freehold value of flats		
Flat 2	£413,600	
Flat 3	£474,700	
Flat 6	£421,872	£1,310,172
Flat 15	£425,707	
Value of existing lease		
Flat 2	£322,608	
Flat 3	£370,266	
Flat 6	£329,060	
Flat 15	£332,052	
Capitalisation rate	6%	
Deferment rate	5%	
Value of headlessee's present interest		
Flats 2, 3 & 6		
Ground rent receivable	£280	
YP 26.41 yrs @ 6%	13.08965	£3,665
Reversion to revised ground rent	£560	
YP 33 yrs @ 6%	14.23020	
Deferred 26.41 yrs @ 6%	0.21460	£1,710

Marriage value. Flats 2, 3 & 6			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£1,310,172</u>		
		£1,310,172	
Value of interests before enfranchisement			
Headlessee	£77,565		
Tenant	<u>£1,021,934</u>		
		£1,099,499	
Marriage value		£210,673	
Hope value @ 15%			£31,601
Premium for flats 2, 3 & 6			£109,166
Marriage value. Flat 15			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£425,707</u>		
		£425,707	
Value of interests before enfranchisement			
Headlessee	£24,992		
Tenant	<u>£332,052</u>		
		£357,044	
Marriage value		£68,663	
Hope value @ 20%			£13,733
Premium for flat 15			£38,725
Total Premium for flats 2, 3, 6 & 15			£147,891

Appendix D

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Valuation of participating flats on long leases

Flats 4, 5, 9, 11, 13, 14, 17, 18, 19.

Valuation Date	26 October 2015
Leases expire on 3 March 2165	
Length of lease remaining	149.41 years
Ground rents for these flats for the term	£0
Value of freehold flats	
Flat 4	£417,736
Flat 5	£479,400
Flat 9	£488,800
Flat 11	£417,360
Flat 13	£421,534
Flat 14	£447,357
Flat 17	£429,881
Flat 18	£456,216
Flat 19	£434,054
Value of existing lease	
Deferment rate	5%

Value of headlessee's present interest

Flats 4, 5, 9, 11, 13, 14, 17, 18 & 19

Ground rent receivable	£0
Reversion to freehold value	£3,992,338
Deferred 149.41 yrs @ 5%	0.00068251

Value of headlessee's present interest 0.00068251 **£2,725**

First-tier Tribunal

Ref: RC/LON/00AG/OCE/2016/0201

New College Court

Valuation of participating flats on short leases

Flats 7, 8, 12 & 16

Valuation Date	26 October 2015	
Leases expire on 24 March 2075		
Length of lease remaining	59.41 years	
Ground rent for flats 7 & 16 for next 26.41 years (per flat)	£150	
Ground rent for remaining 33 years (per flat)	£300	
Ground rent for flat 8 for next 26.41 years	£80	
Ground rent for remaining 33 years	£160	
Freehold value of flats		
Flat 7	£484,100	
Flat 8	£426,008	
Flat 16	£451,787	£1,361,895
Value of existing lease		
Flat 7	£377,598	
Flat 8	£332,286	
Flat 16	£352,394	
Capitalisation rate	6%	
Capitalisation rate for flat 12	5%	
Deferment rate	5%	
Value of headlessee's present interest		
Flats 7, 8 & 16		
Ground rent receivable	£380	
YP 26.41 yrs @ 6%	13.08965	£4,974
Reversion to revised ground rent	£760	

YP 33 yrs @ 6%	14.23020		
Deferred 26.41 yrs @ 6%	0.21460	£2,321	
Reversion to freehold value	£1,361,895		
Deferred 59.41 yrs @ 5%	0.05510	<u>£75,040</u>	
			£82,335

Marriage value			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£1,361,895</u>		
	£1,361,895		
Value of interests before enfranchisement			
Headlessee	£82,335		
Tenant	<u>£1,062,278</u>		
	£1,144,613		
Marriage value		£217,282	
Divide equally between parties			<u>£108,641</u>
Premium for flats 7,8 &16			£190,976

Flat 12			
Lease expires on 24 June 2075			
Length of lease remaining	59.41 years		
Ground rent for next 26.41 years	£650		
Ground rent for remaining 33 years @ .002%	£877		
of long leasehold value			
Value of freehold	£442,928		
Value of existing lease	£345,484		
Value of extended lease	£438,499		
Capitalisation rate	5%		
Deferment rate	5%		
Value of headlessee's present interest			
Ground rent receivable	£650		
YP 26.41 yrs @ 5%	14.4866	£9,416	
Reversion to revised ground rent	£877		
YP 33 yrs @ 5%	16.0025		
Deferred 26.41 yrs @ 5%	0.2757	£3,869	
Reversion to freehold value	£442,928		
Deferred 59.41 yrs @ 5%	0.0551	<u>£24,405</u>	
			£37,690

Marriage value			
Value of interests after enfranchisement			
Headlessee	£0		
Tenant	<u>£442,928</u>		
	£442,928		
Value of interests before enfranchisement			
Headlessee	£37,690		
Tenant	<u>£345,484</u>		
	£383,174		
Marriage value		£59,754	
Divide equally between parties			<u>£29,877</u>
Premium for Flat 12			£67,567
Premium for flat 7, 8, 12 &16			£258,543

First-tier Tribunal

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Valuation Summary

	Valuation
Flats 2, 3, 6 & 15	£147,891
Flats 7, 8, 12 & 16	£258,543
Flats 4, 5, 9, 11, 13, 17, 18 & 19	£2,725
Amenity Land	£100
Freehold	£1
Total Premium	<u>£409,260</u>