

905



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

**Case Reference** : **LON/00BK/OLF/2014/0001**

**Property** : **47 Green Street London W1K 7FZ**

**Applicants** : **Grosvenor ( Mayfair) Estate (1)  
Grosvenor West End Properties Ltd  
(2)**

**Representative** : **Mr M Pryor Counsel**

**Respondent** : **Shaika Fatima Zayed Saqr Al  
Nahyan (1)  
Shaik Rashid Humaid Bin Rashed  
Al Nuaimi**

**Representative** : **Mr T Jeffries Counsel**

**Type of Application** : **S.9(1)(a) Leasehold Reform Act  
1967**

**Tribunal Members** : **Mrs F J Silverman Dip Fr LLM  
Mr P Casey MRICS**

**Date of Decision** : **10 June 2014**

## **CERTIFICATE OF CORRECTION**

1. The decision in the above numbered case was made on 10 June 2014
2. It has been brought to the Tribunal's attention that the promulgated decision contains an error which is corrected as set out below.
3. In paragraph 26 on page 12 of the decision the sum of £7,036,072 shall be inserted in substitution for the sum of £18,283,000.
4. In all other respects the decision as previously promulgated stands unaltered.

Judge F J Silverman as Chairman

Date 3 July 2014

905



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Grosvenor West End Properties Ltd  
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**Representative** : Mr M Pryor Counsel

**Respondent** : Shaika Fatima Zayed Saqr Al Nahyan  
(1)  
Shaik Rashid Humaid Bin Rashed Al  
Nuaimi

**Representative** : Mr T Jeffries Counsel

**Type of Application** : S.9(1)(a) Leasehold Reform Act 1967

**Tribunal Members** : Mrs F J Silverman Dip Fr LLM  
Mr P Casey MRICS

**Date and venue of  
Hearing** : 7 & 8 May 2014.  
10 Alfred Place, London WC1E 7LR

**Date of Decision** : 10 June 2014

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**DECISION**

The Tribunal determines that the freehold vacant possession value of 47 Green Street is £18,283,000.  
The Terms of the transfer are approved in the form presented to the Tribunal at the hearing.

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## Reasons

1. The applicant seeks a determination pursuant to s.9 (1) (a) Leasehold Reform Act 1967.
2. The hearing of this matter took place before a Tribunal sitting in London on 7 and 8 May 2014 at which Mr M Pryor of Counsel represented the Applicants and Mr T Jeffries of Counsel represented the Respondent tenants .
3. The correct Respondents to the application are Shaika Fatima Zayed Saqr Al Nahyan and Shaik Rashid Humaid Bin Rashed Al Nuaimi who acquired the benefit of the right to buy notice under a transfer of the leasehold interest from Soldela Trading Corporation Ltd.
4. On behalf of the Applicants the Tribunal heard evidence from Mr K Ryan FRICS and for the Respondents evidence was given by Mr P Marr-Johnson MRICS.
5. The issue which the Tribunal was asked to determine was the price of acquisition of the freehold reversion of the property. The Tribunal's approval was also sought to the terms of the transfer which had been negotiated between the parties and which was included in the agreed bundle of documents placed before the Tribunal for its consideration.
6. Whilst dealing with procedural matters prior to the start of the hearing the Tribunal was told that the party's expert witnesses had now agreed all the component parts of the valuation of the freehold reversion in the subject property other than the freehold vacant possession value as at the valuation date and that figure was the only thing that required determination.
7. Both Mr Ryan and Mr Marr-Johnson provided revised valuations reflecting the additional matters agreed since they had signed the original Statement of Agreed Facts and Matters in dispute. Mr Ryan's valuation was in the sum of £7,511,300 based on a vacant possession value of £19,546,250; Mr Marr-Johnson was at £6,065,000 with a vacant possession value of £15,7000,000
8. Accompanied by the parties' experts the Tribunal inspected the subject property immediately prior to the commencement of the hearing proper. The Tribunal also viewed the exterior of the parties' agreed comparables.
9. The subject property is a large mid-terrace town house built circa 1922 in a quiet residential street in Mayfair. The accommodation extends over six floors including a basement level which houses a large commercial kitchen a number of store rooms, a chiller, boiler room and staff accommodation. The kitchen and basement area is dated as is the wiring throughout the property and both would probably require attention from an incoming purchaser. The ground and upper floor levels take the form of a dumbbell shape, as described by Mr Marr-Johnson, in that they generally comprise one large room facing the street and a similar large room at the rear of the property linked by the central semi-circular art deco staircase, lift shaft and small connecting lobby

area. A shallow flight of marble steps leads from the street to the front door of the property through which is to be found a small lobby area leading into a large reception hall. The art deco style semi-circular staircase with its Venetian plasterwork walls is a striking central feature to the house. The rear section of the ground floor is furnished as a dining room with full length casement windows giving access to an iron staircase leading to the communal gardens. The two large rooms on the first floor appear to be used as reception rooms with 8/9 bedrooms of varying sizes all with ensuite or nearby facilities and many with separate dressing areas, spread over the upper three storeys of the building. The ground and first floors of this imposing house are impressive and in good decorative order. Elsewhere the décor is looking tired and an incoming purchaser might choose to refresh the decorations and renew some of the bathroom fittings. The communal gardens at the rear of the property are shared with other residents from Green Street and Park Street and can only be accessed from the rear of houses facing on to the gardens themselves, there being no entrance from the street. As such, the well maintained gardens are a tranquil haven of greenery in the middle of a bustling city and merit their local name as the 'Secret Gardens'. There is no private garage or parking at the property but limited on-street parking is available subject to the possession of a parking permit. Unlike some of the comparables discussed below the house is not listed.

10. The valuers had agreed that the sales of eight properties provided the only comparable evidence to arrive at the vacant possession value. In each instance the sale price and the date of the transaction were agreed as was the adjustment to reflect the passage of time between the transaction date and the valuation date and the adjustment of the one leasehold transaction to give the freehold equivalent. In all instances bar two the gross internal area (GIA) adjusted for area of vaults was also agreed. Where they disagreed was in their respective additions and subtractions from the time adjusted sale prices of the comparable evidence to reflect differences between those properties and the subject property. The properties referred to are briefly set out below.
11. 78 Mount Street comprises an end terrace Edwardian house arranged over six floors. The estate agent's particulars presented to the Tribunal indicate that this property has been refurbished to modern standards including air-conditioning and security monitoring equipment and also has the benefit of a garage but not of any outside space.
12. 5 Aldford Street is very close to 78 Mount Street and is currently being reconverted into a house having previously been used as offices. It comprises a Grade II listed Edwardian house arranged over six floors, about 14% larger than the subject property, with no outside space and somewhat overlooked by adjacent properties.
13. 68 Mount Street is a listed Grade II mansion standing on the corner of Mount Street and Park Street. It is presently vacant and the Tribunal understands has been empty for a number of years, having previously been used as offices and currently having planning permission for reversion into a single family dwelling. This property is approximately one third larger than the subject property, has no outside space and potentially suffers more from noise than the subject property owing to its proximity to the Grosvenor House Hotel and the traffic lights at the road junction.

14. 18 Upper Grosvenor Street is another property which is being reconverted to residential use after a period of use as offices. Originally built in the early 1730's its accommodation, spread over six floors, is 52% larger than the subject property but it does have a small north facing rear garden. The property faces one side of the Grosvenor House Hotel .
15. 22 Upper Brook Street is a terraced period house very similar in size to the subject property . This property has been refurbished and has the benefit of a separate garage but no outside space.
16. 42 Park Street is an unmodernised Grade II listed end terrace Edwardian house again arranged over six floors including a basement, the total area being almost 20% greater than the subject property. Its situation on the corner of Park Street and Reeves Mews and opposite the vehicular and goods entrance to the Grosvenor House Hotel is likely to be busier and noisier than that of the subject property.
17. 38 Green Street is a very similar house to the subject property although about 15% smaller in total area. Its accommodation is arranged on seven floors including basement level and is said to be in good order. Like the subject property the rooms at the rear overlook the communal gardens to which it has access and use.
18. 101 Park Street is situated on the corner of Park Street and Green Street and has access to the Green Street communal gardens although its view of the gardens is oblique and less attractive than those enjoyed by numbers 38 Green Street and the subject property. About 14% smaller than the subject property the accommodation is arranged over seven floors and when viewed by the Tribunal appeared to be undergoing refurbishment. The sales particulars supplied to the Tribunal and relating to the most recent sale of the property in February 2010 show that at that time the main reception areas of the property appeared to be in good condition.
19. There was a fundamental difference between the valuation approaches adopted by the two experts. In Mr Ryan's opinion the subject property was a perfectly habitable home though he acknowledged that a purchaser would probably have in mind a complete refurbishment of the lower ground floor to provide a new kitchen and self-contained staff accommodation as well as a renewal of services and possibly some of the bathrooms on the topmost floors. For his part Mr Marr-Johnson saw the property as a redevelopment opportunity with a developer purchase seeking to gut and refurbish the whole of the accommodation. Thus although he had agreed the relevant comparables and made his own adjustments to their sale prices he only had regard to the five sales he identified as redevelopment projects to derive the price per square foot (psf) he adopted for the subject property: these were in respect of 5 Aldford Street, 68 Mount Street, 18 Upper Grosvenor Street, 42 Park Street and 101 Park Street.
20. We do not agree with Mr Marr-Johnson. The subject property as it stands is clearly habitable and functional although some areas look tired and dated and would benefit from refreshment both for cosmetic reasons and also to meet the expectations of modern living in a house of this quality. In our view it

would be wrong to disregard the evidence provided by the adjusted sale prices of the fully habitable comparables.

21. The main areas in which the parties' surveyors differed were outside space, location and condition. The differences were helpfully and neutrally summarized by Mr Prior in his written skeleton argument. Mr Marr-Johnson maintained that properties in or close to Mount Street were in a superior location to the subject property in Green Street whereas Mr Ryan contended that both streets were prime Mayfair locations with little to choose between them. Having viewed the exterior of the various comparables the Tribunal considers that any fractional advantage gained by the addresses at 68 Mount Street 42 Park Street and 18 Upper Grosvenor Street were probably offset by their proximity to the Grosvenor House Hotel and its garage. Both 42 and 101 Park Street would also experience more noise than the subject property owing to their corner position on a junction. As for Mr Marr-Johnson's opinion that Mount Street and the adjoining Aldford Street were areas regarded by the market as more valuable than the other comparables locations such as to justify a 10% or 7½% adjustment to the sale prices there is no evidence before us to support such a view. Indeed the sale at 18 Upper Grosvenor Street adjusted for quantum (agreed) and Mr Marr-Johnson's view of the effect on the sale price of the lack of planning permission shows a similar psf to that for 68 Mount Street and 5 Aldford Street. Mr Ryan has in the past worked as an estate agent in the area and in the absence of direct evidence we prefer his opinion that no such location adjustment should be made.
22. In relation to outside space there is little doubt that the views over and use of the well maintained Green Street gardens as enjoyed by 38 Green Street, the subject property and 101 Park Street (the last with restricted views) give these three properties a strong advantage over those houses without any outside space. Mr Marr-Johnson argued that the benefits of a private garden such as that enjoyed by 42 Park Street were equal to those of the shared garden. Although the Tribunal accepts that there are benefits to having a private garden such as the safety of children and privacy, these need to be weighed against the disadvantages of having to maintain the area and of having restricted views and limited space. Mr Ryan put the value effect of the "Secret Garden" at 15% whilst a small private garden was only 5%. Mr Marr-Johnson put the figure at 10% but so in his view was a private garden. In his report Mr Ryan referred to the sale of 38 Green Street as being "on the low side for a house with its advantages" but perhaps this was just a case of the market not placing the same value on the garden as Mr Ryan. In our opinion the appropriate adjustment for the "Secret Garden" is 10% but a small private garden/outside space we would agree with him at 5% as not being the equal in value effect.
23. The question of condition was the area in which the parties' experts' views differed the most. Mr Ryan had only been inside 78 Mount Street, 18 Upper Grosvenor Street and 23 Upper Brook Street while Mr Marr-Johnson had only been in the first. Both were therefore heavily reliant upon sales' brochures and what they could glean from selling agents in forming their views as to the adjustment to be made to reflect the difference in condition between the comparables and the subject property. Because of his approach to the valuation Mr Marr-Johnson made only minor condition adjustments to the sale prices of the "development" comparables he relied on [paragraph 19]; £50 psf in the case of the first three as he said redevelopment of the subject

property would be cheaper than in the case of those ex office premises because it was already configured as a house and nothing for the other two which he regarded as in a similar condition to the subject. He acknowledged that his adjustment represented just 3% of value. On the three others which both valuers view as being in substantially better condition than the subject property his adjustments ranged from £150-£250 psf with the lowest figure perhaps surprisingly applied to 78 Mount Street the property showing by far the highest devalued psf. Mr Ryan had taken the view that the three modernized properties were each 15% more valuable because of their superior condition whilst in the case of four of the development/substantial refurbishment sales his percentage adjustments ranged from 6½% - 12½% but showed a smaller range of psf adjustment – between £168 - £190. This was not he said a view of the cost of putting them into the same state as the subject property but his view of the value effect of the differences in condition. He made no condition allowance for 101 Park Street. We prefer Mr Ryan's approach and as we were not able to inspect the comparables internally we adopt his figures as we are not in a position to substitute a view of our own. The only instance where we follow Mr Marr-Johnson is in respect of 42 Park Street where the better particulars he produced suggested a condition much more akin to the subject property with proposed refurbishment works for which planning permission was required because of the Grade II listing largely focussed on the lower ground floor.

24. The valuers agreed a 5% adjustment for quantum in respect of 18 Upper Grosvenor Street which is some 50% larger than the subject and from this Mr Ryan, alone, derived a scale of adjustments for quantum of 1% for each 10% size difference although he had no sales evidence to support this. We do not believe the market would make such small distinctions for quantity; they are all large houses by any standard. 68 Mount Street at nearly a third larger may justify something but we would offset this against its busy/overlooked location for which Mr Ryan makes no adjustment.
25. Other non-agreed adjustments were made to specific comparables. We see no justification at 78 Mount Street for Mr Marr-Johnson's 12½% deduction for "the benefit of having a garage, the better layout with grand entrance leading to the central staircase and the triple aspect" but adopt Mr Ryan's 1.5% for the garage the area of which is in any event included in the agreed GIA. The adjustment at 68 Mount Street for "double fronted and triple aspect is also without any support or merit. At 18 Upper Grosvenor Street Mr Ryan adds back 15% for the overshadowing effect of the Grosvenor Hotel; Mr Marr-Johnson has a 2½% allowance but 15% for the fact that the property sold without planning consent a factor Mr Ryan saw as of no consequence. We think both factors should be taken into account but only at 7½% in each case. On 23 Upper Brook Street they differed as to the value of the separate lock up garage; we adopt £270,000 (the equivalent of £35 psf at the valuation date) as being between them and neither having any sales evidence. The two Park Street comparables both have locational disadvantages, 42 The Grosvenor Hotel and 101 the hemmed in corner site with only oblique garden views for which in each case we adopted a 5% adjustment.
26. Where the experts differ on the GIA we adopt Mr Marr-Johnson's figures as we think he is right to reflect the space the planning permissions on 5 Aldford Street and 68 Mount Street allow to be incorporated in the redevelopments should be treated as better than other other vaults. Adopting those GIAs and



the adjustments we have decided should be made to the time indexed sale prices of the comparables produces devaluations as follows:

Property	GIA	Indexed Sale Price £	Psf	Adjustments	Psf
78 Mount Street	9,809	29,798,605	3,038	- 456 (15%) condition + 304 (10%) garden - 45 (1.5%) garage	= 2,841
5 Aldford Street	9,108	17,064,158	1,874	+ 187 (10%) condition + 93 (5%) garden	= 2,154
68 Mount Street	10,690	21,096,811	1,974	+ 197 (10%) condition + 197 (10%) garden	= 2,368
18 Upper Grosvenor Street	12,236	18,627,001	1,522	+ 190 (12½%) condition + 76 (5%) garden + 114 (7½%) overshadow + 114 (7½%) planning	= 2,016
23 Upper Brook Street	8,092	21,585,089	2,667	- 400 (15%) condition + 133 (5%) garden - 35 (-) garage	= 2,365
42 Park Street	9,630	21,540,923	2,237	+ 112 (5%) garden + 112 (5%) location	= 2,461
38 Green Street	6,826	14,482,741	2,122	- 318 (15%) condition	= 1,804
101 Park Street	6,890	11,930,945	1,732	+ 87 (5%) location	= 1,819
<b>Average</b>					<b>2,229</b>

27. Mr Ryan's valuation did take account of all eight comparables but by assigning a particular weighting to each depending on how helpful he thought each was. In doing so he said he was following Upper Tribunal guidance and referred to Earl Cadogan v Betul Erkman [2011] UKUT90(LC) and Earl Cadogan (and others) v Cadogan Square Ltd [2011] UKUT154(LC). Having read both decision we do not think they lay down any guidance; the Tribunal had of its own volition decided to give explicit numbers to indicate how relevant it thought specific comparables were, an exercise usually carried out implicitly by valuers. However, as in the course of the hearing, Mr Marr-Johnson produced his own "weighting exercise" we will give our own opinion. Both experts were agreed that the further in time the sale of a comparable was from the valuation date the less reliable it was. Neither however suggested a market movement at the valuation date that wasn't reflected in the index they agreed to use. With this in mind we think Mr Ryan places too much weight on the two most recent sales especially 78 Mount Street given its previous sales history and the fact its devaluation shows a psf head and shoulders above the

other evidence. For our part we think equal weight should be given to 78 and 68 Mount Street, 5 Aldford Street, 23 Upper Brook Street and 38 Green Street which other than time lapse would be by far the best evidence. We put the combined weighting of these 5 sales at 80%. 18 Upper Grosvenor Street, because of the number and type of adjustments and 42 Park Street, because of time, we put at 7 ½ % each whilst we take 5% in respect of 101 Park Street, a leasehold sale the furthest away in time. The result of this explicit weighting is as follows:

Property	Adjusted psf	Weighting	= £
78 Mount Street	2,841	16%	454.6
5 Aldford Street	2,154	16%	344.6
68 Mount Street	2,368	16%	379.0
18 Upper Grosvenor Street	2,016	7½%	151.2
23 Upper Brook Street	2,365	16%	378.4
42 Park Street	2,461	7½%	184.6
38 Green Street	1,804	16%	288.6
101 Park Street	1,819	5%	91.0
			<b>£2,272.0</b>

Applying a rate of £2,272 psf to the agreed area of the subject property of 8,047 square feet gives a figure of £18,282,784 which we round to £18,283,000 as being the value of the freehold interest with vacant possession as at 7 August 2013.

28. The parties undertook to produce a revised valuation showing the premium to be paid for the freehold reversion based on our valuation of the freehold interest with vacant possession which will form part of this decision.

### **The Law**

25 Section 9 (1) (a) of the Leasehold Reform Act 1967 (The Act) provides:

#### **“9 Purchase price and costs of enfranchisement, and tenant’s right to withdraw.**

(1) Subject to subsection (2) below, the price payable for a house and premises on a conveyance under section 8 above shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, (with the tenant and members of his family . . . not buying or seeking to buy) might be expected to realise on the following assumptions:—

(a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy but on the assumption that this Part of this Act conferred no right to acquire the freehold, and if the tenancy has not been extended under this Part of this Act, on the assumption that (subject to the landlord's rights under section 17 below) it was to be so extended;

(b) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges . . . to which section 11(2) below applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances; and

(c) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10 below.

The reference in this subsection to members of the tenant's family shall be construed in accordance with section 7(7) of this Act.

(1A) Notwithstanding the foregoing subsection, the price payable for a house and premises,—

(i) the rateable value of which was above £1,000 in Greater London and £500 elsewhere on 31st March 1990, or,

(ii) which had no rateable value on that date and R exceeded £16,333 under the formula in section 1(1)(a) above (and section 1(7) above shall apply to that amount as it applies to the amount referred to in subsection (1)(a)(ii) of that section)

shall be the amount which at the relevant time the house and premises, if sold in the open market by a willing seller, might be expected to realise on the following assumptions:—

(a) on the assumption that the vendor was selling for an estate in fee simple, subject to the tenancy, but on the assumption that this Part of this Act conferred no right to acquire the freehold; or an extended lease

(b) on the assumption that at the end of the tenancy the tenant has the right to remain in possession of the house and premises

(i) if the tenancy is such a tenancy as is mentioned in subsection (2) or subsection (3) of section 186 of the Local Government and Housing Act 1989, or is a tenancy which is a long tenancy at a low rent for the purposes of Part I of the Landlord and Tenant Act 1954 in respect of which the landlord is not able to serve a notice under section 4 of that Act specifying a date of termination earlier than 15th January 1999, under the provisions of Schedule 10 to the Local Government and Housing Act 1989; and

(ii) in any other case under the provisions of Part I of the Landlord and Tenant Act 1954;

(c) on the assumption that the tenant has no liability to carry out any repairs, maintenance or redecorations under the terms of the tenancy or Part I of the Landlord and Tenant Act 1954;

(d) on the assumption that the price be diminished by the extent to which the value of the house and premises has been increased by any improvement carried out by the tenant or his predecessors in title at their own expense;

(e) on the assumption that (subject to paragraph (a) above) the vendor was selling subject, in respect of rentcharges . . . to which section 11(2) below applies, to the same annual charge as the conveyance to the tenant is to be subject to, but the purchaser would otherwise be effectively exonerated until the termination of the tenancy from any liability or charge in respect of tenant's incumbrances; and

(f) on the assumption that (subject to paragraphs (a) and (b) above) the vendor was selling with and subject to the rights and burdens with and subject to which the conveyance to the tenant is to be made, and in particular with and subject to such permanent or extended rights and burdens as are to be created in order to give effect to section 10 below.

(1AA) Where, in a case in which the price payable for a house and premises is to be determined in accordance with subsection (1A) above, the tenancy has been extended under this Part of this Act—

(a) if the relevant time is on or before the original term date, the assumptions set out in that subsection apply as if the tenancy is to terminate on the original term date; and

(b) if the relevant time is after the original term date, the assumptions set out in paragraphs (a), (c) and (e) of that subsection apply as if the tenancy had terminated on the original term date and the assumption set out in paragraph (b) of that subsection applies as if the words "at the end of the tenancy" were omitted.

(1B) For the purpose of determining whether the rateable value of the house and premises is above £1,000 in Greater London, or £500 elsewhere, the rateable value shall be adjusted to take into account any tenant's improvements in accordance with Schedule 8 to the Housing Act 1974.

(1C) Notwithstanding subsection (1) above, the price payable for a house and premises where the right to acquire the freehold arises by virtue of any one or more of the provisions of sections 1A, 1AA and 1B above ~~F13~~, or where the tenancy of the house and premises has been extended under section 14 below and the notice under section 8(1) above was given (whether by the tenant or a sub-tenant) after the original term date of the tenancy, shall be determined in accordance with subsection (1A) above; but in any such case—

(a) . . . . .

(b) section 9A below has effect for determining whether any additional amount is payable by way of compensation under that section;

and in a case where the provision (or one of the provisions) by virtue of which the right to acquire the freehold arises is section 1A(1) above, subsection (1A) above shall apply with the omission of the assumption set out in paragraph (b) of that subsection.

(1D)Where, in determining the price payable for a house and premises in accordance with this section, there falls to be taken into account any marriage value arising by virtue of the coalescence of the freehold and leasehold interests, the share of the marriage value to which the tenant is to be regarded as being entitled shall be one-half of it.

(1E)But where at the relevant time the unexpired term of the tenant's tenancy exceeds eighty years, the marriage value shall be taken to be nil.

(2)The price payable for the house and premises shall be subject to such deduction (if any) in respect of any defect in the title to be conveyed to the tenant as on a sale in the open market might be expected to be allowed between a willing seller and a willing buyer.

(3)On ascertaining the amount payable, or likely to be payable, as the price for a house and premises in accordance with this section (but not more than one month after the amount payable has been determined by agreement or otherwise), the tenant may give written notice to the landlord that he is unable or unwilling to acquire the house and premises at the price he must pay; and thereupon—

(a)the notice under section 8 above of his desire to have the freehold shall cease to have effect, and he shall be liable to make such compensation as may be just to the landlord in respect of the interference (if any) by the notice with the exercise by the landlord of his power to dispose of or deal with the house and premises or any neighbouring property; and

(b)any further notice given under that section with respect to the house or any part of it (with or without other property) shall be void if given within the following twelve months .

(4)Where a person gives notice of his desire to have the freehold of a house and premises under this Part of this Act, then unless the notice lapses under any provision of this Act excluding his liability, there shall be borne by him (so far as they are incurred in pursuance of the notice) the reasonable costs of or incidental to any of the following matters:—

(a)any investigation by the landlord of that person's right to acquire the freehold;

(b)any conveyance or assurance of the house and premises or any part thereof or of any outstanding estate or interest therein;

(c)deducing, evidencing and verifying the title to the house and premises or any estate or interest therein;

(d)making out and furnishing such abstracts and copies as the person giving the notice may require;

(e)any valuation of the house and premises;

but so that this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.

(5)The landlord's lien (as vendor) on the house and premises for the price payable shall extend—

- (a) to any sums payable by way of rent or recoverable as rent in respect of the house and premises up to the date of the conveyance; and
- (b) to any sums for which the tenant is liable under subsection (4) above; and
- (c) to any other sums due and payable by him to the landlord under or in respect of the tenancy or any agreement collateral thereto.”

**Premium payable by Tenant on acquisition of freehold**

26. The Tribunal determines that the premium to be paid by the tenant to acquire the freehold in accordance with section 9 (1) (a) of the Leasehold Reform, Act 1967 is **£18,283,000**. A copy of the Tribunal's valuation is attached as Schedule B.

Judge F J Silverman

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As Chairman

...10 June 2014 .....

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Valuation prepared jointly between Mr J M Clerk (for the Applicant) and Mr P Marr-Johnson (for the Respondent)

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and based on the FTT's determination of the Freehold Vacant Possession Value at £18,283,000

17 June 2014

47 Green Street, London, W1

LEASEHOLD REFORM ACT 1967 as amended

Section 9(1C) Valuation

Valuation Date: 07 August 2013

	£	£	£	£	£
<b>Valuation of Head Lease ( presently held by GWEP )</b>					
Annual rental income passing			16,000		
Estimated annual rental income following rent review on to greater of rent passing or 7.5% of Full Market Rental Value	25/12/2018				
Estimated annual rental income following rent review	agreed at		25,950		
The Present Value of this rental income is agreed at				315,678	
On reversion to-					
Value of leasehold interest with vacant possession from	25/12/2040				
Until	24/02/2184	having	143.25 years unexpired		
Estimated value of freehold in possession			18,283,000		
Adjust to lease of	143.25 years unexpired		99.00%	18,100,170	
Deferred	27.38 years @	4.75%		<u>0.280661</u>	
					<u>5,080,012</u>
					5,395,690
<b>Valuation of Freehold ( presently held by G(M)E )</b>					
Estimated value of freehold in possession			18,283,000		
Deferred	170.63 years @	4.75%		<u>0.000364</u>	
					<u>6,655</u>
<b>Total value of both landlords' interests excluding marriage value</b>					<b>5,402,345</b>
<b>Add lessors' share of marriage value</b>					
Estimated value of freehold in possession				18,283,000	
<b>Less</b>					
Valuation of head lease			5,395,690		
Valuation of freehold reversion			6,655		
Value of lessee's existing interest allowing for onerous rent liability					
Relativity to account for any onerous rent agreed at	52.58%	of FHVP			
As applied to FHVP from above of	£ 18,283,000	gives a leasehold value of	<u>9,613,201</u>		
					<u>15,015,546</u>
Gain on marriage attributed to lessors @		50.00%		<u>3,267,454</u>	
					<u>1,633,727</u>
Landlords' other loss					0
<b>Price payable for freehold interest</b>				<b>Say</b>	<b>7,036,072</b>
<b>Apportionment of Marriage Value</b>					
<b>A. To GWEP</b>					
Diminution in value of interest				5,395,690	
Apportionment of Marriage Value	1,633,727	x	<u>5,395,690</u>	=	<u>1,631,714</u>
					<u>7,027,404</u>
				say	7,027,404
<b>B. To G(M)E</b>					
Diminution in value of interest				6,655	
Apportionment of Marriage Value	1,633,727	x	<u>6,655</u>	=	<u>2,013</u>
					<u>8,668</u>
				say	<u>8,668</u>
<b>Total Premium</b>					<b>7,036,072</b>