

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**  
**SOUTHERN RENT ASSESSMENT PANEL**  
**LEASEHOLD VALUATION TRIBUNAL**

**Case No. CHI/21UG/OCE/2008/0001**

**REASONS**

**Application** : Sections 24 and 91 of the Leasehold Reform, Housing and Urban Development Act 1993 as amended (“the 1993 Act”)

**Applicant/Nominee Purchaser** : St Peter’s Court (Bexhill) Ltd

**Respondent/Landlord** : Regis Group plc

**Building** : St Peter’s Court, 24 De La Warr Road, Bexhill on Sea, East Sussex, TN40 2JD

**Flats** : the flats in the Building

**Leases** : the leases of the Flats

**Date of service of Tenant’s Notice** : 4 May 2007

**Date of Application** : 20 December 2007

**Date of Provisional Directions** : 28 January 2008

**Date of Hearing** : 18 July 2008

**Venue** : Committee Room, Horntye Park Sports Complex, Bohemia Road, Hastings, TN34 1EX

**Appearances for Applicant/Nominee Purchaser** : Mr T Carpenter-Leach of counsel, Mr M Powell of Gaby Hardwicke, solicitors, and Mr R T Athow FRICS MIRPM of Philip A Chapman

**Also in attendance** : Mr Carey (Flat 4), Mr Ellis (Flat 17), and Mrs Mitchell (Flat 19)

**Appearances for Respondent/Landlord**: Mr B Meagher MIRPM of Ground Rent Managers Ltd

**Members of the Tribunal** : Mr P R Boardman JP MA LLB (Chairman), Mr M Ayres FRICS, and Mr K Lyons FRICS

**Date of Tribunal’s Reasons** : 4 September 2008

## **Introduction**

1. This Application by the Applicant/Leaseholder is under sections 24 and 91 of the 1993 Act, namely for the Tribunal to determine the price payable upon the Applicant/Nominee Purchaser acquiring the freehold of the Building from the Respondent/Landlord

## **Schedule 6 of the 1993 Act**

2. Paragraph 2 of schedule 6 of the 1993 Act provides that the price payable by the Applicant/Nominee Purchaser shall be the aggregate of :
  - a. the value of the Respondent/Landlord's interest in the Building as determined in accordance with paragraph 3 of schedule 6
  - b. the Respondent/Landlord's share of the marriage value as determined in accordance with paragraph 4 of schedule 6
  - c. any compensation payable to the Respondent/Landlord under paragraph 5 of schedule 6
3. Paragraph 3 of Schedule 6 of the 1993 Act provides that , subject to the assumptions and other provisions set out, the value of the Respondent/Landlord's interest in the Building shall be the amount which that interest might be expected to realise if sold on the open market by a willing seller with the Applicant/Nominee Purchaser not seeking to buy and on the assumption that the 1993 Act conferred no right of acquisition

## **Documents**

4. The documents before the Tribunal are :
  - a. those comprising pages 1 to 80 of the Tribunal's bundle
  - b. the letter dated the 14 July 2008 from Mr Meagher and the documents referred to
  - c. further calculation schedules received from both parties after the hearing
5. References in these reasons to page numbers are, unless the context requires otherwise, to page numbers in the Tribunal's bundle
6. References in these reasons to Appendices are to the appendices to these reasons

## **Inspection**

7. The Tribunal inspected the Building on the morning of the hearing on the 15 July 2008. Also

present were Mr Powell, Mr Meagher, Mr Carey, and Mrs Mitchell

8. The Building comprised an “L”-shaped block of 18 Flats on five floors. The Flats were numbered 1 to 12 in one “arm” of the “L” and 14 to 19 in the other. There was no number 13. There was a detached garage, and a further detached block of 4 garages. There were other garages beneath the Building
9. The Tribunal also inspected the interior of Flats 4 (first floor) and 19 (penthouse)
10. More detailed descriptions are helpfully set out in Mr Meagher’s valuation at pages 57 to 58, and in Mr Athow’s valuation at pages 75c to 75e

#### **Lease of Flat 12 29 December 1971 (pages 5 to 13)**

11. The lease was for 999 years from the 24 June 1970 at a yearly rent of a £12.60, and, “by way of an additional yearly rent, a sum equal to one fourth of one per centum (0.25%) of the amount of the consideration contained in any Assignment or Underlease or other Transfer for valuable consideration of the [Flat] over and above the sum of [£9,000] such additional yearly rent to be payable by half yearly instalments on the days and in the manner hereinbefore provided for payment of the rent hereinbefore reserved the first payment of such additional yearly rent or a proportionate part thereof calculated from the date of any Assignment or Underlease or other Transfer as aforesaid to be made with the next payment of the said rent first hereinbefore provided to be paid.....”
12. The lessee’s covenants included a full repairing covenant in relation to the interior of Flat 12, and a covenant to pay a service charge and management charges. The lessor’s covenants included full repairing and insuring covenants in relation to the Building and common parts
13. The parties agreed at the hearing before us that the leases of the other Flats were in materially the same terms, except that :
  - a. Flats 9 and 19 were penthouse Flats
  - b. the “thresholds” for the calculation of the additional rent varied from Flat to Flat, and were as shown in Mr Athow’s valuation on behalf of the Applicant/Nominee Purchaser at Appendix 1
  - c. the current ground rents varied from Flat to Flat, and were now as shown in Mr Athow’s valuation on behalf of the Applicant/Nominee Purchaser at page 75aa, reproduced at Appendix 1

#### **Initial notice of claim**

14. The notice was dated the 4 May 2007

## **Applicant/Nominee Purchaser's valuation evidence**

15. Mr Athow's valuation dated the 25 June 2008 at pages 75 to 75aa stated that :

- a. the values of the smaller flats was £157,500 and the penthouse flats £180,000, after deducting 10% from the current market values for improvements
- b. there was no marriage value because of the length of the leases
- c. the "capitalisation yield" should be 7.75%, which was within the range of other cases in the area
- d. the "reversion yield" should be 6%, because :
  - the 5% deferment rate set by **Sportelli** was appropriate for "trophy homes" in prime central London
  - since early 2007 the 5% figure had been rigidly adhered to in decisions of the LVT in coastal areas of Sussex and Kent, with the exception of the decision in 32 St James Road, Bexhill, where, in the case of a missing landlord, 7% was found to be appropriate
  - however, the Court of Appeal in **Sportelli** had accepted that some qualification was needed for decisions outside the prime central London area
  - in the past there had been a differential of 1% to 1.5% between the "yields" in the prime central London area and coastal towns in Sussex and Kent
  - that differential was correct, and it was contended that 6% was the correctly adjusted "yield"
- e. in relation to the valuation of freehold reversion :
  - the ground rent review clause in the leases was most unusual
  - under normal circumstances flats in general tended to change hands every 3 to 5 years
  - however, owners of Flats in the Building tended to stay for long periods, and, indeed, 2 of the Flats were owned by the original lessees, and the last recorded sale was on the 6 October 2004
  - the ground rent income had accordingly been valued for a period of 7 years, being the average length of time people stayed in flats of that type and setting, after which it had been assumed that all Flats would have been sold, and that the ground rents would have become rack rents based on the formula laid down by the leases
  - on the basis of the valuations of the Flats, the ground rent income would increase to £6,815 a year
  - that income, valued for the remaining 964 [sic] years, gave a valuation of £72,007, say £72,000, in accordance with the calculations at page 75aa, reproduced at Appendix 1

## Respondent/Landlord valuation evidence

16. Mr Meagher's valuation dated the 20 March 2008 at pages 57 to 73 stated that

- a. the average unimproved value of each of the 16 Flats with a share of the freehold was £165,000, and each penthouse flat £195,000
- b. marriage value was to be disregarded as there were over 80 years unexpired, namely 962, on each lease
- c. the capital value deferment rate should be 5% in accordance with **Sportelli**, but the reversions were so distant that the value tended to zero and was therefore insignificant
- d. value of Respondent/Landlord's current interest :
  - the leases provided for reviews of rent by reference to future transactions whose timing and value were unknown
  - the rental income stream would be considered as consisting of 2 tranches
  - the first tranche, namely the sum of the rents passing at the valuation date, amounted to £3,690.20 a year, and the appropriate capitalisation rate for that tranche was 7% a year
  - in respect of the second tranche, namely the income dependent on future sales of the Flats :
    - it would be inappropriate to try to reflect the growth potential through the choice of "yield"
    - instead, the likely future ground rents should be ascertained, based on increased market values and deferred in accordance with the provisions of the 1993 Act
    - a figure of £160,000 had been taken as the overall average for each of the 18 Flats
    - the net capital growth (the difference between the current average market value and the original purchase price) had been estimated using the Halifax House Price Index average over the past 18 years of 5.5%
    - the national average period of ownership of residential properties was about 7 years
    - if the Flats were sold according to that pattern, there would effectively be a review of that additional rent geared to market values every 7 years
    - the additional rent would therefore be valued as receivable in 7 years time
    - to reflect the growth potential going forward a "yield" of 6% a year would be adopted in view of the good income stream and the fact that the ground rent reviews were influenced by the open market vacant possession capital values
    - a threshold of £8,000 had been adopted for simplification, despite slight variations in some leases

- e. there was no other compensation payable
- f. the properly calculated enfranchisement price was £873,679, in accordance with the calculations at page 63, reproduced at Appendix 2

17. Mr Meagher's supplemental letter dated the 14 July 2008 stated that :

- a. he had used a capitalisation rate of 7% in accordance with many LVT decisions in various areas in the country and with matters agreed with other surveyors where there was a good income stream such as in cases where the ground rent had good reviews
- b. relevant LVT decisions were :
  - Flats 6 and 6A Park Hill Court, Ealing :
    - capitalisation rate : 7% for rents rising from £50 to £150, and 8% for rents with no review
    - deferment rate : 5%, even though not within prime central London area
  - 41, Port Hall Road, Brighton :
    - capitalisation rate : 7% (rents rising every 33 years from £30 to £90)
    - deferment rate : 5%, even though not within prime central London area
  - Daphne Court, 56 Fitzjohns Avenue, London NW3 :
    - capitalisation rate : 7.25% agreed by parties for very low ground rent
    - deferment rate : 5%, determined by LVT
  - 12 Amersham Road, London SE14 :
    - capitalisation rate : 7% (ground rents rising over term from £100 to £300)
      - deferment rate : 5%, despite careful argument advanced to depart from **Sportelli**
  - 5 Gordon House, NW5 :
    - capitalisation rate : 7% agreed between parties for ground rent £200
    - deferment rate : 5%, even though not within prime central London area
  - 34 Pretoria Road, Watford :
    - capitalisation rate : 7% (ground rent £45 rising by £25 every 25 years)
    - deferment rate : 5.5% (departure from Sportelli because self-repairing and decorating leases, poor location, at lower end of market, property could be seriously dilapidated by the reversion date, and no remedy for landlord under leases)
  - 33 Percy Gardens, Tynemouth :
    - deferment rate : 6%, because of location

## **Valuation**

18. The comments of the parties at the hearing in relation to each element of the valuation, and the findings by the Tribunal in each case, are set out in the following paragraphs of this determination

### *Valuation date and number of years unexpired at valuation date*

19. In answer to questions from the Tribunal, the parties stated that they had agreed that the valuation date was the 13 June 2007, and that the number of years of the terms of the leases unexpired at that date was 962, despite a reference to 964 years in one of the documents before the Tribunal

### *Value of the Respondent/Landlord's interest in the Building*

20. In the light of the large number of years left unexpired under each lease, the parties agreed that :

- a. any deferred capital value should be ignored
- b. any marriage value should be ignored
- c. the value of the Respondent/Landlord's interest, namely the amount which a buyer would pay for that interest, should accordingly be based entirely on the rents payable under the leases

### *Interpretation of the rent review clauses in the leases*

21. The parties agreed that :

- a. the rent was reviewable on each and every transfer for consideration of a lease throughout the term
- b. the amount of the reviewed rent on each occasion was to be substituted for the amount of the previously reviewed rent, and the substituted amount was then to be added to the amount of the original ground rent stated in the lease

### *Current values of the Flats*

22. The parties agreed, for the purpose only of calculating the value of the Respondent/Landlord's interest in the Building in these proceedings, that :

- a. the current values of the Flats should be taken to be the current actual values less

tenants' improvements, even though the rent review provisions in the leases did not expressly so provide

- b. for ease of calculation, the current value of each Flat, including the penthouse Flats, should be taken to be £160,000

*"Thresholds" for the calculation of the additional rent*

23. As already noted, the parties agreed that the "thresholds" for the calculation of the additional rent varied from Flat to Flat, and were as shown in Mr Athow's valuation on behalf of the Applicant/Nominee Purchaser at page 75aa, reproduced at Appendix 1

*Current ground rents*

24. As already noted, the parties agreed that the current ground rents varied from Flat to Flat, and were now as shown in Mr Athow's valuation on behalf of the Applicant/Nominee Purchaser at page 75aa, reproduced at Appendix 1

*Frequency of future assignments of the leases*

25. The parties agreed that, whichever methodology was used for calculating the value of the Respondent/Landlord's interest in the Building, it would be necessary to consider the frequency of future assignments of the leases
26. Mr Carpenter-Leach submitted that the Flats had been sold at an average frequency of every 12.8 years since 1971. The rent reviews were triggered only by transfers for consideration, and not, for example, by bequests under a will. The frequency figure should therefore be 12.8 years
27. Mr Meagher submitted that the safest frequency figure to take was the national average figure of 7 years, in accordance with his written submissions

*28. The Tribunal's findings*

29. Having considered all the evidence in the round, the Tribunal finds, in accordance with indications given to the parties at the hearing, that :
  - a. the suggested frequency figure of 7 years is too frequent, in that it does not take account of the actual historic sales cycle in the Building, and does not take account of the fact that only transfers for valuable consideration attract the rent review provisions under the leases



- b. the suggested frequency figure of 12.8 years is not frequent enough, in that it is affected by the fact that 2 of the original tenants have not assigned at all, and does not take account of the national average frequency
- c. in all the circumstances, and drawing on the Tribunal's knowledge and experience, the appropriate frequency figure for the purposes of calculating the value of the Respondent/Landlord's interest in the Building is 10 years

***Methodology for calculating the value of the Respondent/Landlord's interest in the Building***

30. Mr Carpenter-Leach submitted that :

- a. the calculation would be a complicated one to take account of the various elements involved, namely :
  - the frequency of future assignments
  - the compound growth rate of the market values of the Flats
  - the prospective reviewed rents
  - the capitalisation rate to be applied to those rents
- b. the compound growth rate of 5.5% over the last 18 years in Mr Meagher's calculations (page 74) should in fact, arithmetically, have been 4.63%
- c. however, and in any event, neither of those rates was appropriate, because the long-term growth rate of accepted in Sportelli, namely 2%, should be adopted in this case
- d. so far as capitalisation rates were concerned, Mr Carpenter-Leach produced a schedule entitled "Analysis of Enfranchisement & lease extension yields RPTS Southern Panel", and submitted that a capitalisation rate of 10% was appropriate in this case
- e. there should in principle be a deduction from the actual price paid by the Applicant/Leaseholder to take account of that benefit
- f. Mr Meagher's valuation figure of £873,679 was not a figure which a buyer would pay for the Respondent/Landlord's interest in the Building
- g. the proper approach to valuing the Respondent/Landlord's interest in the Building was as shown in Mr Athow's valuation on behalf of the Applicant/Nominee Purchaser at page 75aa, reproduced at Appendix 1

31. Mr Meagher submitted that :

- a. whilst his approach was mathematically correct, on reflection he accepted that a buyer would not pay the figure arrived at
- b. capitalisation rates in recent LVT decisions had generally been 7%
- c. the rent review provisions in the leases were unusual and would be attractive to a buyer, who might be prepared to accept a lower rate

- d. a growth rate of 2% on the values of the Flats was fair, as it took account of rises and falls in the market
32. In answer to a question from the Tribunal, the parties agreed that a further factor which could be taken into account, at least as a check, in calculating the value of the Respondent/Landlord's interest in the Building, was the amount which a tenant might be prepared to pay to the Respondent/Landlord's to vary the tenant's lease by deleting the rent review clause altogether
33. Both parties submitted further calculation schedules after the hearing
34. The Tribunal's findings
35. The Tribunal has taken account of :
- a. all the parties' submissions and documents, including the schedules submitted after the hearing
  - b. the decisions in **Sportelli**, and in the LVT cases referred to by the parties
36. The Tribunal finds that :
- a. the initial rent for each of the 2 penthouse Flats was £15.75, and the initial rent for each of the other 16 Flats was £12.60; however, in the light of the parties' agreement to adopt, for the purposes of calculating the value of the Respondent/Landlord's interest in the Building, a figure of £160,000 for the current value of each Flat, including the larger penthouses, and because the Tribunal finds that the differences in the amounts of the initial rents will not have a material effect on the calculations, the Tribunal finds it appropriate to adopt, for the purposes of calculating the value of the Respondent/Landlord's interest in the Building, a figure of £12.60 for the initial rent in each case
  - b. the rents currently payable at the valuation date amounted to a total of £3,690.20, as shown in Mr Athow's valuation on behalf of the Applicant/Nominee Purchaser at page 75aa, reproduced at Appendix 1
  - c. the current value of each Flat at the valuation date, for the purpose of calculating the value of the Respondent/Landlord's interest in the Building, is £160,000, as agreed by the parties
  - d. the "thresholds" for the calculation of the additional rent are as shown in Mr Athow's valuation on behalf of the Applicant/Nominee Purchaser at page 75aa, reproduced at Appendix 1, as agreed by the parties; however, in the light of the parties' agreement to adopt, for the purposes of calculating the value of the Respondent/Landlord's interest in the Building, a figure of £160,000 for the current value of each Flat, including the larger penthouses, and because the Tribunal finds that the differences in the amounts of the

- “thresholds” will not have a material effect on the calculations, the Tribunal finds it appropriate to adopt, for the purposes of calculating the value of the Respondent/Landlord’s interest in the Building, a “threshold” of £8,000 in each case
- e. it is appropriate, for the purpose of calculating the value of the Respondent/Landlord’s interest in the Building, to assume that :
- each Flat will have been assigned for valuable consideration during the 10-year period following the valuation date, for reasons already given
  - during that 10-year period the value of each Flat will have increased by 2% a year, in accordance with the growth rate accepted in **Sportelli**, so that the value of each Flat at the end of that 10-year period will be £195,040
  - the frequency of the assignments of the 18 Flats during that 10-year period will, on average, have been regular, namely at an average rate of 1.8 assignments a year
  - the rent of each Flat will be reviewed on each such assignment
  - the total rents, including the reviewed rents, at the end of the 10-year period will be £8,643.60, as set out in the Tribunal’s valuation in Appendix 3
  - the average of the total rents during the 10-year period will be £6,166.90 a year, which, for the purposes of calculating the value of the Respondent/Landlord’s interest in the Building, the Tribunal finds it appropriate to round up to £6,167, as set out in the Tribunal’s valuation in Appendix 3
  - a prospective buyer of the Respondent/Landlord’s interest in the Building will, in deciding how much to pay for that interest, calculate that average figure for the total rents and apply a capitalisation rate to that figure over the whole of the unexpired term of the leases to reflect not only a reasonable rate of return but also such matters as :
    - the uncertainties of future growth rates
    - the fact that the rent review provisions in the leases are not expressed to be “upwards-only” reviews, and that the rent could accordingly decrease as well as increase
    - the fact that the buyer would take on the responsibilities as Landlord under the leases
    - the fact that as the Building ages it will become more expensive to maintain and less attractive in the market
  - a prospective buyer will, in all the circumstances, apply a capitalisation rate of 5.5%
- f. as a check on the methodology adopted by the Tribunal in this case, the Tribunal has considered the amount which a tenant of a Flat might be expected to pay to vary the tenant’s lease by deleting the rent review provisions
- g. a tenant of a Flat might be expected to pay £6,852.20 to vary the tenant’s lease by deleting the rent review provisions, calculated as follows :

- total average rent during the 10-year period                      £6,167
  - average rent per Flat (£6,167 / 18)    £342.61
  - YP in perpetuity at 5%    20
  - tenant's bid    £6,852.20
  - in making that finding, the Tribunal finds that the tenant would adopt a capitalisation rate of 5% because the tenant, on deleting the requirement to pay ground rent out of taxable income, would be effectively receiving a tax-free return equivalent to 5%
- h. a prospective buyer of the Respondent/Landlord's interest in the Building will, in deciding how much to pay for that interest, take into account the possibility of receiving £6,852.20 from each of the 18 tenants as payments for deleting the rent review provisions in the leases, amounting to a total of £123,339.60
- i. as a further check on the methodology adopted by the Tribunal in this case, the Tribunal has considered the methodology adopted by Mr. Athow, but utilising the following:
- assumed current ground rent receivable for next 10 years, for reasons already given
  - assumed full rental income based on current capital value increased by 2% per annum receivable after 10 years in perpetuity, for reasons already given
  - capitalisation rate for next 10 years 5.5%, for reasons already given
  - capitalisation rate after 10 years 6%, to reflect greater uncertainty due to the variables of future capital values and frequency of assignments
- j. the Tribunal finds that the resulting figures would be as follows :

Current rent	3690.00		
Y.P. for 10 years @ 5.5%	7.538	27815	
Reversion to full rental value	8643.00		
Y.P. in perpetuity @ 6%	16.667		
PV of £1.00 in 10 years @ 6%	<u>0.5583</u>	<u>9.305</u>	<u>80423</u>
			108238

- k. However, the Tribunal finds that this method does not reflect the 'moving average' rent resulting from successive sales of flats, nor is it easy to judge the capitalisation rate for the future reversionary rental for reasons already given, but it is considered to be a useful check
- l. Summary
- m. on the facts of this case, which the Tribunal finds to be very unusual, and in respect of

which capitalisation rates decided in other cases involving lower rents with fixed reviews are of only limited assistance :

- the value of the Respondent/Landlord's interest in the Building is fairly reflected by capitalising the rents of the Flats for the remainder of the terms
- for the purposes of calculating the value of the Respondent/Landlord's interest in the Building, it is appropriate to adopt a figure for the rents of the Flats of £6,167 a year
- the appropriate capitalisation rate is 5.5%

### ***Compensation***

37. The parties agreed that no compensation was payable in this case

### **38. Total price payable**

39. The Tribunal finds that the total price payable is £112,000 in accordance with the valuation at Appendix 3 to these reasons

Dated the 4 September 2008



.....  
P R Boardman  
(Chairman)

A Member of the Tribunal  
appointed by the Lord Chancellor

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**  
**SOUTHERN RENT ASSESSMENT PANEL**  
**LEASEHOLD VALUATION TRIBUNAL**

**Case No. CHI/21UG/OCE/2008/0001**

**St Peter's Court, 24 De La Warr Road, Bexhill on Sea, East Sussex, TN40 2JD**

**Appendix 1**

**Mr Athow's valuation on behalf of Applicant/Nominee Purchaser (page 75aa)**

**ST PETERS COURT, DE LA WARR ROAD, BEXHILL****Valuation of Ground Rent income**Assume all flats re-sold within 7 years**current GR**

	Ground Rent	R R Threshold
1	£ 342.48	£ 8,000
2	£ 130.10	£ 8,000
3	£ 237.60	£ 8,000
4	£ 217.48	£ 8,000
5	£ 166.36	£ 8,000
6	£ 67.60	£ 8,000
7	£ 413.84	£ 9,500
8	£ 120.10	£ 8,000
9	£ 115.76	£ 10,000
10	£ 185.10	£ 8,000
11	£ 12.60	£ 8,000
12	£ 358.84	£ 8,000
14	£ 127.60	£ 8,000
15	£ 12.60	£ 8,000
16	£ 135.10	£ 9,000
17	£ 355.10	£ 8,000
18	£ 226.22	£ 8,000
19	£ 465.74	£ 8,000

Total Ground Rent Income

**£ 3,690**

YP 7 yrs @

7.75% **5,25120****£ 19,378****Assumed Rack Ground Rents**

Assume all 2 bed flats valued at

**£ 157,500**

less

net price

Ground Rent

0.25%

Assume both penthouse (9 &amp; 19) valued at

**£ 180,000**

i.e down 15%

1	£ 157,500	£ 8,000	£149,500	£ 373.75
2	£ 157,500	£ 8,000	£149,500	£ 373.75
3	£ 157,500	£ 8,000	£149,500	£ 373.75
4	£ 157,500	£ 8,000	£149,500	£ 373.75
5	£ 157,500	£ 8,000	£149,500	£ 373.75
6	£ 157,500	£ 8,000	£149,500	£ 373.75
7	£ 157,500	£ 9,500	£148,000	£ 370.00
8	£ 157,500	£ 8,000	£149,500	£ 373.75
9	£ 180,000	£ 10,000	£170,000	£ 425.00
10	£ 157,500	£ 9,000	£148,500	£ 371.25
11	£ 157,500	£ 9,000	£148,500	£ 371.25
12	£ 157,500	£ 9,000	£148,500	£ 371.25
14	£ 157,500	£ 8,000	£149,500	£ 373.75
15	£ 157,500	£ 9,000	£148,500	£ 371.25
16	£ 157,500	£ 9,000	£148,500	£ 371.25
17	£ 157,500	£ 9,500	£148,000	£ 370.00
18	£ 157,500	£ 8,000	£149,500	£ 373.75
19	£ 180,000	£ 8,000	£172,000	£ 430.00
	<b>£2,880,000</b>			<b>£ 6,815</b>

Yield Rate

7.75%

YP Yield Rate for 964 yrs

964

12.9032

PV of £1 At Yield Rate in 7 yrs

7.75%

0.5930333

7.652027277**£ 52,149****Value of Reversion**

As above

**£2,880,000**

PV £1 deferred 962 years at

6% **0.000167****£ 480****GROSS VALUE****£ 72,007****SAY****£ 72,000**

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**Case No. CHI/21UG/OCE/2008/0001**

**St Peter's Court, 24 De La Warr Road, Bexhill on Sea, East Sussex, TN40 2JD**

**Appendix 2**

**Mr Meagher's valuation on behalf of Respondent/Landlord (page 63)**



Appendix I

Block of 18 Flats

St Peters Court, 24 De La Warr Road, Bexhill on Sea, East Sussex, TN40 2JD

Calculation for Premium to be for Freehold pursuant to Schedule 6 of the Leasehold Reform, Housing and Urban Development Act 1993

Capitalisation Rate  
Deferment Rate

Yield  
7.00%  
5.00%

Date of Valuation  
13/06/2007

Unencumbered Value  
160,000.00

Relativity

100.000%

Date of Valuation

Ground Rent at Period	Yrs 962.03	Amount 3,690.20	From 13-Jun-2007	To 29-Jun-2969	962.03
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Unexpired Term 962.03

1. Diminution in Value of Freeholder's Interest

Ground Rent First Tranche Less: Lease Purchase for	3,690.20 962.03 @ 7.00%	3,690.20 14.2857	52,717.09
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Ground Rent Second Tranche See Appendix II			820,962.10
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873,679.19

Reversion to present Value of £1m	962.03 @ 5.00%	302,400.00	
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Total 873,679.19

2. Freeholder's Share of Marriage Value

Value of Tenant's Interest under a new lease at a peppercorn		160,000.00	
Value of Freeholder's new Interest		Nil	160,000.00

Less:			
Value of Tenant's existing Lease at 100.00%		160,000.00	
Value of Freeholder's existing Interest		873,679.19	1,033,679.19

Marriage Value		-	873,679.19
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Landlord's Share @ 50%		-	436,839.60
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Landlords Greater than "zero" figure			0.00
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3 Any other compensation payable to the Freeholder			Nil
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Total Premium Payable			873,679.19
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Say 873,679

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**  
**SOUTHERN RENT ASSESSMENT PANEL**  
**LEASEHOLD VALUATION TRIBUNAL**

**Case No. CHI/21UG/OCE/2008/0001**

**St Peter's Court, 24 De La Warr Road, Bexhill on Sea, East Sussex, TN40 2JD**

**Appendix 3**

**Tribunal's valuation**

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**  
**SOUTHERN RENT ASSESSMENT PANEL**  
**LEASEHOLD VALUATION TRIBUNAL**

**Case No. CHI/21UG/OCE/2008/0001**

**REFUSAL OF PERMISSION TO APPEAL**

**Application** : Sections 24 and 91 of the Leasehold Reform, Housing and Urban Development Act 1993 as amended ("the 1993 Act")

**Applicant/Nominee Purchaser** : St Peter's Court (Bexhill) Ltd

**Respondent/Landlord** : Regis Group plc

**Building** : St Peter's Court, 24 De La Warr Road, Bexhill on Sea, East Sussex, TN40 2JD

**Flats** : the flats in the Building

**Leases** : the leases of the Flats

**Date of service of Tenant's Notice** : 4 May 2007

**Date of Application** : 20 December 2007

**Date of Provisional Directions** : 28 January 2008

**Date of Hearing** : 18 July 2008

**Members of the Tribunal** : Mr P R Boardman JP MA LLB (Chairman), Mr M Ayres FRICS, and Mr K Lyons FRICS

**Date of Tribunal's Reasons** : 4 September 2008

**Party Applying for Permission to Appeal** : Respondent/Landlord

**Date of Application for Permission to Appeal** : 1 October 2008

**Date of Tribunal's Refusal of Permission to Appeal** : 14 October 2008

**Decision**

1. The Tribunal refuses permission to appeal

**Reasons**

2. There are no grounds of appeal set out in or attached to the application for permission to appeal
3. The Tribunal has reviewed the Tribunal's Reasons dated the 4 September 2008, but finds that there is no basis for any reasonable prospect of a successful appeal

Dated the 14 October 2008



.....  
P R Boardman  
(Chairman)

A Member of the Tribunal  
appointed by the Lord Chancellor