

9. The Flat is a first floor, one bedroom flat within a block of 12 flats constructed over three floors in or about the mid 1960s; the building has a flat roof structure and there are communal gardens to the front of the building. The area to the rear of the building included a small grass strip and also a block of 8 garages. There is however no garage with the Flat, nor any allocated parking. The front door of the Flat opens directly into a lounge, which is in turn, open to the kitchen; a separate doorway from the lounge provided access to the double bedroom towards the rear, leading to the bathroom which included a bath and shower. The Flat has carpets, gas central heating, UPVC double glazed windows, artex type finished ceilings and a modern kitchen. Nearby Bartlett House and Woodside Court were of generally similar appearance.

HEARING & REPRESENTATIONS

10. The hearing was attended by the Applicant in person and Mr Wetherall for the Respondent.

Existing Lease Value

11. The Applicant suggested that the three properties as listed below, should be used as comparables :-

	Date sold	Price £
11 St Georges House	January 2012	67,500
4 Woodside Court	August 2012	70,000
30 Woodside Court	February 2013	61,000

The Applicant also referred to 8 Bartlett House which was unsold at auction in February 2013 despite the bids reaching £61,000. The Applicant submitted that it would be reasonable to use the average sale price of the above three flats, being £66,166, as a basis for assessing existing lease value. The Respondent submitted that the existing lease value is £60,000, since the Applicant had paid £61,550 for the Flat in early 2010, but prices had fallen in the area since then and also the residue of years unexpired was now rather less than it had been in 2010. The Respondent also referred to the provisions of Schedule 13 of the 1993 Act, which he said required that in determining the existing lease value, no account should be taken of the statutory right to extend. In regard to the assumptions to be made regarding improvements, Mr Wetherall submitted that the valuation should be on the basis of condition as at commencement of the Lease, ignoring any significant improvements and that the value of the above three properties needed to be adjusted accordingly. Mr Wetherall submitted that reductions should be made to reflect for example, additions such as UPVC double glazing, kitchen improvements and also any garage or balcony facilities included with any of those other properties, but not enjoyed by the Flat.

Extended Lease Value

12. The Applicant referred to Flat 6 Bartlett House which had been sold in May 2011 for £75,000 with a lease term of 141 years. Mr Wetherall referred to Appendix A in his valuation report which comprised a list of prices for flats in the vicinity sold between 2002 and 2012, with or without the benefit of extended lease terms including :-

Property	Date sold	Price £	Term
Flat 4 St Georges House	Jan 2008	101,000	160 years from 2003
Flat 8 St Georges House	Jul 2007	93,000	134 years from 2003
Flat 1 St Georges House	Dec 2005	87,000	135 years from 2003

3 St Georges House
Woodside Rd
Southampton

VALUATION

Extended lease (unimproved)	78,000
Existing lease (unimproved)	60,000
Deferment rate	6.00%
Capitalisation rate	7.50%

VALUE OF LANDLORD'S INTEREST

Ground rent	15		
YP 21.2 yrs at 7.50%	<u>10.464</u>		
		156.96	
Reversion to	20		
YP 33 yrs at 7.50%	12.107		
Present Value £1 21.2 yrs at 7.5%	<u>0.21521</u>		
		52.11	
Reversion to vacant possession	78,000		
PV £1 54.2 yrs at 6.00%	<u>0.04243</u>		
		<u>3309.54</u>	
			3518.61

MARRIAGE VALUE

Value with extended lease		78000.00	
<u>Less</u>			
Freeholder's present interest	3,519		
Leaseholder's present interest	<u>60,000</u>		
		<u>63519.00</u>	
Marriage Value		14481.00	
	50%		<u>7240.50</u>
			10759.11
PREMIUM TO BE PAID			£ 10,759