

Y TRIBIWNLYS EIDDO PRESWYL
RESIDENTIAL PROPERTY TRIBUNAL
LEASEHOLD VALUATION TRIBUNAL

Reference: LVT/0056/03/25

Property: 1A Highfields, Llandaff, Cardiff CF5 2QA and garage

Application: Application for a new lease – section 48 of the Leasehold Reform, Housing and Urban Development Act 1993

APPLICANT: British Heart Foundation [as administrator of Laura Nona Jones’ estate]

RESPONDENTS: 1. Vaughan John Williams
2. Justyn William Philip Jones

TRIBUNAL: Judge M. Hunt
Mr A. Lewis FRICS (Expert Member)
Dr A. Ash

Representatives: Mr R. Poiner MRICS (for the Applicant)
Mr G. Evans FRICS (for the Respondents)

Hearing Date: 7 January 2026

DECISION

The premium to be paid for the grant of the new lease in respect of 1A Highfields, Llandaff, Cardiff CF5 2QA and garage under the Leasehold Reform, Housing and Urban Development Act 1993 is £41,032.

Introduction

1. The Applicant is the administrator of the estate of Laura Nona Jones. In this capacity it is the tenant under a long lease of premises at 1A Highfields, Llandaff, Cardiff, CF5 2QA together with an appurtenant garage (the “Property”). The Respondents are its landlord. It seeks to acquire a new lease of the Property pursuant to its right enshrined in the Leasehold Reform, Housing and Urban Development Act 1993.
2. The Respondents do not dispute the grant of a new lease or any of its terms, but the parties have been unable to agree an appropriate premium in respect of that grant. They have referred this matter to the Tribunal for determination.

3. In reaching its determination, the Tribunal considered a file of documents extending to some 505 pages together with a “rider” provided by the Applicant shortly prior to the hearing. The documents included valuation reports from each party, prepared by expert witnesses. At the hearing, the Tribunal heard from both parties through their expert witnesses, who very ably presented the reasoning behind each of their proposed premiums. Prior to the hearing, the expert and lay members of the Tribunal inspected the Property both internally and externally and several other properties externally that each party presented as comparable for the purposes of seeking to establish the Property’s value.

The Property

4. The Property is a first-floor flat in a two-storey, purpose-built block constructed circa 1970 in the Llandaff district of Cardiff, to the north of the City Centre. The immediate area is of very good quality private residences with a primary school immediately opposite. The Property was constructed in modern cavity brick block walls under a pitched tile-covered roof, and all window frames are uPVC double-glazed. There is a small entrance porch on the ground floor under a flat roof.
5. Entrance into the flat is via the entrance porch, which leads immediately to a staircase giving access to a landing on the first floor. The accommodation includes a lounge, kitchen, two double bedrooms and a bathroom. Heating of the accommodation is achieved by the original electric underflooring system. Outside there are gardens and a small garage in a block to the rear.
6. The Property was vacant and unfurnished. It was in reasonable order, and no items of disrepair were noted, although it would benefit from complete refurbishment – including the installation of central heating – and refitting of the bathroom and kitchen. The Tribunal is unaware of any improvements having been made since the grant of the original lease, nor were the parties’ representatives, and none were obvious.

The Leases

7. The Property is subject to two leases, one concerning the maisonette the other the garage and garden area. The leases were both granted for a term of 99 years from 24 June 1970, with a combined annual ground rent of £30. Both parties were content to treat them as forming a single lease and to assess the premium payable on that basis. The Tribunal accepted that this was both appropriate and the correct approach to take.

Issues

8. The overriding issue for the Tribunal to determine was the premium payable on the grant of the new lease.
9. Although initially it appeared that the method of reaching that figure was in dispute, matters were clarified at the hearing. The only real dispute was about the valuation of the Applicant’s existing lease and the value of the new lease with an extended term. The former had been stated to be agreed at £95,000, but on further consideration the Applicant resiled from that. As will be seen, the Tribunal considered it right to do so and would have determined it was manifestly wrong in any event. Ultimately, the parties agreed that the value of the existing lease should be derived from the value of the new lease, an approach with which the Tribunal

agreed (and would in any event have applied). Once the Tribunal had determined that latter value, the calculation of the premium would be straightforward.

The Law

10. The relevant law is contained in Chapter II of Part I to the Leasehold Reform, Housing and Urban Development Act 1993 (the "Act").
11. Section 39 provides a qualifying tenant with the right to acquire a new lease. In accordance with sub-section 3 (read with section 7(6) and (7)), the two leases in this case are to be treated as a single long lease (see also section 57(1)(c)). In accordance with sub-section 3A, a personal representative of a qualifying tenant (the Applicant as administrator in this case) can exercise the right.
12. Section 56 provides that the new lease would replace the existing lease. The term of the new lease would end 90 years later than the existing lease. The new rent would be a peppercorn. To acquire the new lease, a premium would be payable to the landlord.
13. The Act explains the process for the parties to follow in seeking to acquire a new lease. Essentially, the tenant serves a notice on the landlord specifying the premium it will offer. The landlord must serve a counter-notice either accepting the terms or making a counter-proposal. No issues have been raised about compliance with any of the statutory conditions. The only matter in dispute was the proposed premium for the new lease.
14. Section 48 provides that such disputes can be referred to the Tribunal for determination. Disputes about the premium payable are to be determined in accordance with Schedule 13 to the Act.
15. The parties were familiar with Schedule 13, the application of which has led to much consideration over time, both by those specialising in valuation and through litigation. At its heart, it requires a landlord to be compensated for any diminution in value of their interest in a property that the grant of the new lease occasions. It also requires the parties to share in any uplift in the aggregate value of the interests in the Property occasioned by a longer lease (the bulk of which is invariably the increase in the value of the tenant's leasehold interest). This is known as the "marriage value". Schedule 13 provides a list of assumptions to adopt in assessing each value. In some instances, additional compensation can also be due to the landlord, but that is not relevant to these proceedings.
16. Alighting upon reliable values from which to calculate the premium is not a straightforward task. No doubt to provide a degree of consistency, the matter has been considered to a great degree of specificity, which has led to great complexity. Much science and law has therefore been brought to an area traditionally considered an art. Thankfully, due to the hard work of many valuation professionals and judicial minds, guiding principles have been established. In this case, the valuation methodology was agreed between the parties, albeit in certain respects only on the day of the hearing.

Valuation Methodology

17. The valuation methodology agreed by the parties and that would in any event have been adopted by the Tribunal in applying Schedule 13 is as follows.

18. Firstly, the Tribunal would need to establish the diminution in value of the Respondents' interest in the Property. It would capitalise the ground rent and add it to the value of the Respondents' reversionary interest in the Property. It would then deduct the value of the Respondents' reversionary interest after the grant of the new lease. Both the capitalisation rate for the ground rent and the deferment rate for calculating the values of the reversionary interests had been agreed between the parties, at 6% and 5% respectively.
19. Secondly, the Tribunal would need to calculate the "marriage value". To do so, it would need to determine the value of the Applicant's present leasehold interest, assuming the absence of any Act rights to acquire a new lease. It would derive this by, firstly, establishing what the present freehold value of the Property would be with vacant possession, secondly, by applying an agreed "relativity" percentage of 66.41% to that figure. The Tribunal would then aggregate the value of the proposed leasehold and freehold interests after the grant of the new lease and calculate the difference with the aggregate values of the present freehold and leasehold interests. The resulting figure is the "marriage value".
20. The "marriage value" would then be split equally between the freehold and leasehold interests, and the freeholders' "share" would be added to the assessed diminution in its interest to produce the applicable premium.

Valuation Submissions

21. The Applicant's valuation was prepared by Rhodri Poiner BSc MRICS of Mallard Chartered Surveyors of Swansea. It was contained within his Expert Witness Report dated 14 August 2024, read alongside a "rider" received late on 6 January 2026, which amended his valuation. Mr Poiner concluded that the premium that should be paid for the new lease is **£24,500**.
22. The Applicant's surveyor's valuation relies on the following comparable evidence.

Address	Accommodation	Size (m ²)	Tenure	Date Sold	Sale Price	£/m ²
149 Fairwood Road CF5 3QH	2-bed	63		Mar-24	£130,000	2063.49
Pritchard Court, 49 Cardiff Road CF5 2DE	1-bed	62	125 years from 1 May 2007	4-Jan-24	£150,000	2419.35
88 Fairwood Road CF5 3QL	2-bed	73	125 years from 2005	11-Dec-23	£145,000	1986.3
4 Jasper Court CF5 2RX	Studio apartment	26	999 years from 1982	19-Jul-24	£69,950	2690.38
18 Matthew Walk CF5 2QW	1-bed	44	951 years remaining	28-Jun-24	£85,000	1931.82

23. No narrative was provided by the surveyor as to how these comparables related to the Property, nor did Mr Poiner comment upon the comparables advanced by the Respondents'

Expert Witness. Mr Poiner referred to the Property being currently offered for sale at £150,000 and stated that this reflected the fact that a new lease was being acquired (and would be subject to negotiation).

24. In establishing his valuation of the Respondents' present interest, Mr Poiner employed a capitalisation rate of 6.5% of the ground rent for the existing term of the lease (departing from the rate of 6% he had agreed with Mr Evans within the Statement of Agreed Facts). Concerning the value of the freehold with vacant possession, he assessed it at £135,000. Adopting a "relativity" of 74.7% (derived from Savills' enfranchiseable lease relativity graph) alongside certain "adjustments" he initially agreed the value of the Applicant's present interest to be £95,000 (as recorded in the Statement of Agreed Facts). At the hearing he revised that estimate to £99,836. A deferment rate of 5% was adopted for the calculation of the present and future freehold capital values of the flat. This resulted in a present freehold capital value of £15,419 and a future value of £189. The diminution in value was therefore £15,230.
25. Concerning the valuation of the Applicant's interest upon the grant of a new lease, Mr Poiner had made a deduction of 1% from his assessment of the freehold vacant possession value (£135,000) to represent the difference in value between a freehold and leasehold interest. The resultant figure was £133,650.
26. Thereafter, Mr Poiner undertook a marriage value calculation, of which he added half, i.e. £9,291, to the diminution in the value of the Respondents' interest (£15,230) to arrive at his valuation of the premium (£24,521).
27. Mr Poiner provided his complete valuation calculations (based on his revised estimate of the value of the present leasehold interest), which are included as Appendix 1 to this decision.
28. The Respondents' valuation was prepared by Mr Geraint Evans MSt FRSA FRICS of eBureau Ltd of Cardiff. It was contained within his Expert Witness Report dated 15 August 2025. Mr Evans considered that the premium that should be paid for the new lease is **£60,680**.
29. The Respondents' surveyor relied mainly upon the following comparables, although others were contained within his report. He discounted them due to a variety of reasons.

Address	Accommodation	Size (m ²)	Tenure	Date Sold	Sale Price	£/m ²
11 Highfields CF5 2QA	2-bed	64	136 years at a peppercorn	Jul-23	£185,000	2890.62
3a Fairlawn Court CF5 2LL	2-bed & garage	67		Sep-24	£185,000	2761.19
6 Deans Court CF5 2LT	2-bed	68		Aug-24	£155,000	2279.41

44 Rookwood Close CF5 2NR	2-bed & garage	83	900 years at a peppercorn	May-24	£185,000	2228.91
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30. Mr Evans' prime comparable was 11 Highfields. He stated this was a near-identical first-floor flat to the Property, the leasehold of which had been sold in July 2023 for £185,000. It benefitted from a new, extended, lease similar to that being sought by the Applicant. Prior to its sale, Mr Evans had inspected it both internally and externally as he had been instructed by the freeholders in relation to the grant of the new lease. Helpfully, Mr Evans provided a copy of the 2023 sales particulars, which demonstrated that the flat's condition was very similar to that of the Property. The other comparables listed above supported his view that the leasehold value of the Property, with the benefit of a new lease, was £185,000. No reference was made by Mr Evans to the comparables relied upon by Mr Poiner.
31. In establishing the present freehold vacant possession value of the Property, Mr Evans added 1% to the leasehold value to reflect the difference between a leasehold and freehold interest, resulting in a figure of £186,850.
32. Mr Evans adopted a capitalisation rate of 6% for the ground rent for the existing term of the lease, and the deferment rate of 5% as contained within the Statement of Agreed Facts in relation to reversionary values.
33. Concerning the value of the Applicant's present leasehold interest, Mr Evans' had prepared his evidence based on the value he had agreed with Mr Poiner, contained within the Statement of Agreed Facts, i.e. £95,000. To derive its value without the Act right to acquire a new lease, he made a deduction of 10.73%, based on Savills' assessment of the value of that right. This resulted in a figure of £84,807. The Tribunal was unclear about how the present leasehold interest had been evaluated and noted that Mr Poiner has resiled from it at the hearing. Mr Evans accepted that if it was no longer agreed, the value would be best derived from the value of the freehold interest with vacant possession (as outlined in the Valuation Methodology section above). Accordingly, if the Tribunal accepted that the previously agreed value was wrong (which it did), much of Mr Evans' calculation would be irrelevant (although not his methodology).
34. For completeness, the Tribunal will record his previous assessment. Mr Evans calculated the marriage value to be £79,043. He then added 50% to the assessed diminution in the value of the Respondents' interest (£21,151) to arrive at his valuation of the premium of £60,680. When questioned at the hearing as to the appropriate premium, were the present leasehold value to be assessed afresh as outlined above, he obtained a premium of a little over £41,000. The Tribunal was grateful for his rapid calculations.
35. Again for completeness, Mr Evans provided his complete valuation calculations, and these are included in Appendix 2.

Conclusion

Leasehold Value

36. In determining the value of the leasehold interest in the Property upon the grant of the new lease, the Tribunal considered the best comparable property to be 11 Highfields. It was situated

a few doors down the same road and was sold in mid-2023. It was very similar in style and condition. It sold for £185,000, with the benefit of a new, extended, lease.

37. The Tribunal noted Mr Poiner's view that the sale was agreed more than a year prior to the valuation date and was not therefore reliable. In the Tribunal's view, the sale was agreed sufficiently proximate to the valuation date of 15 August 2024 to be afforded full weight. Arguably, properties in the area could have increased marginally in value in the intervening period, but neither party suggested this was material. The Tribunal agreed. There was no good evidence of prices having decreased. Further the other comparables advanced by Mr Evans supported this figure.
38. The Tribunal also noted Mr Poiner's view that, being set-back from the road a few metres more than the Property, 11 Highfields would attract a premium in comparison to the Property. This was notably due to its proximity to a popular primary school and the noise and traffic such a location generates. He submitted the impact on price might be in the order of 10%. The Tribunal considered that argument to be unrealistic and unsupported by any objective evidence. It considered the matter would have no material bearing on value. At the hearing, Mr Poiner accepted that, upon further consideration, he may have somewhat under-valued the Property. He submitted that a valuation upon the grant of a lease of around £160,000 would be appropriate. Removing the 10% deduction considered by Mr Poiner to be reasonable would result in a value of around £177,000, which is only slightly lower than Mr Evans' assessment.
39. The comparables advanced by Mr Poiner did not assist the Tribunal as they were either located in the Fairwater district of Cardiff, rather than Llandaff, or were not similar in style to the Property.
40. The Tribunal saw no good reason to depart from the best available evidence, which was the sale of the lease of 11 Highfields for £185,000. It therefore concluded that it would adopt this as the value of the leasehold interest in the Property with the new lease.

Freehold with Vacant Possession Value

41. Both surveyors had accepted a 1% differential between the value of the new, extended, leasehold interest and the freehold interest with vacant possession. The Tribunal agreed and determined the freehold interest with vacant possession to be worth £186,850.

Relativity

42. During the hearing it was conceded by Mr Poiner that the Savills enfranchiseable lease relativity graph he had relied upon was inappropriate. It was more appropriate to consider the relativity to unenfranchiseable leases. The parties agreed at the hearing that it would be most appropriate to consider an average of both the Gerald Eve and the Savills unenfranchiseable lease relativity graphs, which produced an agreed "relativity" percentage of 66.41%. The Tribunal agreed that this would be an appropriate percentage to apply to the value of the Property's freehold interest with vacant possession to produce the present value of the leasehold interest, assuming no statutory right to acquire a new lease. The value produced was £124,087.

Capitalisation and Deferment Rates

43. The Tribunal considered that a fixed annual ground rent of £30 for 44.85 years is not particularly appealing to an investor. Therefore, the Tribunal adopted within its calculation of the Respondents' present interest in the Property, the capitalisation rate of 6% that had been originally agreed in the Statement of Agreed Facts. As to the deferment rate, the Tribunal adopted the rate agreed between the surveyors of 5%, consistent with the decision in Earl Cadogan v Sportelli [2007] 1 EGLR 153.

Premium

44. During the hearing, Mr Evans informed the Tribunal that the premium agreed by him with another experienced chartered surveyor in Cardiff in relation to the grant of the new lease of 11 Highfields was £40,000. The Tribunal had little information about, and did not analyse, how that premium had been agreed. However, it considered it potentially useful as a reference. If the Tribunal's assessment of the premium for the new lease of the Property differed significantly, it might give it reason to check its calculation.
45. Having determined the various factors within the valuation, the Tribunal assessed the premium payable for the new lease of the Property to be £41,032. The Tribunal noted this was very similar to the premium that had been agreed in respect of 11 Highfields. This lent some support to its conclusion. The Tribunal's full valuation calculation can be found in Appendix 3.

Judge M. Hunt
3 February 2026

Appendix 1 – Applicant's Calculation

Freeholders' Present Interest			
Term			
Ground Rent	£30		
YP 45 years @ 6.5%	<u>14.48</u>		
		£434.40	
Reversion			
Vacant possession value	£135,000		
PV of £1 45 years @ 5%	<u>0.111</u>		
		<u>£14,985</u>	
Present interest		£15,419.40	
Freeholders' Interest after new lease			
Vacant possession value	£135,000		
PV of £1 135 years @ 5%	<u>0.0014</u>		
		<u>£189</u>	
Diminution in value of Freeholders' Interest			£15,230.40
Leaseholder's Interest			
Freehold vacant possession value	£135,000		
Less differential of 1%	<u>£1,350</u>		
Interest after new lease	£133,650		
Present Interest without Act rights – relativity of 74.70% [calculated relative to Leasehold rather than Freehold vacant possession value]	say £99,836.60		
Marriage Value Calculation			
Leaseholder's Interest after new lease	£133,650		
Freeholders' Interest after new lease	<u>£189</u>		
		£133,839	
Less			
Leaseholder's Present Interest without Act rights	£99,836.60		
Freeholders' Present Interest	<u>£15,419.40</u>		
		<u>£115,256</u>	
Marriage Value		£18,583	
50% of Marriage Value			£9,291.50
Premium			
Diminution in Freeholders' Interest		£15,230.40	
50% share of Marriage Value		<u>£9,291.50</u>	
		£24,521.90	say £24,500

Appendix 2 – Respondents' Calculation

Freeholders' Present Interest			
Term	44.85		
Ground Rent	£30		
YP 44.85 years @ 6%	<u>15.4455</u>		
		£463	
Reversion			
Vacant possession value	£186,850		
PV of £1 44.85 years @ 5%	<u>0.1121</u>		
		<u>£20,944</u>	
Present interest		£21,407	
Freeholders' Interest after new lease			
Vacant possession value	£186,850		
PV of £1 134.85 years @ 5%	<u>0.0014</u>		
		<u>£257</u>	
Diminution in value of Freeholders' Interest			£21,151
Leaseholder's Interest			
Agreed value of Present Leasehold Interest	£95,000		
Present Interest without Act rights – deduction of 10.73%	£84,807		
Marriage Value Calculation			
Leaseholder's Interest after new lease	£185,000		
Freeholders' Interest after new lease	<u>£257</u>		
		£185,257	
Less			
Leaseholder's Present Interest without Act rights	£84,807		
Freeholders' Present Interest	<u>£21,407</u>		
		<u>£106,214</u>	
Marriage Value		£79,043	
50% of Marriage Value			£39,521
Premium			
Diminution in Freeholders' Interest		£21,151	
50% share of Marriage Value		<u>£39,521</u>	
		£60,672	say £60,680

Appendix 3 – Tribunal Calculations

Freeholders' Present Interest			
Term	44.85		
Ground Rent	£30		
YP 44.85 years @ 6%	<u>15.4455</u>		
		£463	
Reversion			
Vacant possession value	£186,850		
PV of £1 44.85 years @ 5%	<u>0.112114</u>		
		<u>£20,949</u>	
Present interest		£21,412	
Freeholders' Interest after new lease			
Vacant possession value	£186,850		
PV of £1 134.85 years @ 5%	<u>0.001399</u>		
		<u>£261</u>	
Diminution in value of Freeholders' Interest			£21,151
Leaseholder's Interest			
Freehold vacant possession value	£186,850		
Leaseholder's Present Interest without Act rights – relativity of 66.41%	£124,087		
Marriage Value Calculation			
Leaseholder's Interest after new lease	£185,000		
Freeholders' Interest after new lease	<u>£261</u>		
		£185,261	
Less			
Leaseholder's Present Interest without Act rights	£124,087		
Freeholders' Present Interest	<u>£21,412</u>		
		<u>£145,499</u>	
Marriage Value		£39,792	
50% of Marriage Value			£19,881
Premium			
Diminution in Freeholders' Interest		£21,151	
50% share of Marriage Value		<u>£19,881</u>	
			£41,032