

## GROUND RENTS CALCULATION EXAMPLE

LonRes guest blog: Why on earth do we have ground rents?  
Charles Boston, September 2017

### Next 8 years

Ground rent reserved					£500	
Years purchase	8.00	years	at	5.25%	<u>6.39840</u>	£3,199

### Next 10 years

New ground rent					£1,000	
Years purchase	10.00	years	at	5.25%	7.62884	
Deferred for	8.00	years	at	5.25%	<u>0.66408</u>	£5,066

### Next 10 years

New ground rent					£2,000	
Years purchase	10.00	years	at	5.25%	7.62884	
Deferred for	18.00	years	at	5.25%	<u>0.39811</u>	£6,074

### Next 10 years

New ground rent					£4,000	
Years purchase	10.00	years	at	5.25%	7.62884	
Deferred for	28.00	years	at	5.25%	<u>0.23866</u>	£7,283

### Next 10 years

New ground rent					£8,000	
Years purchase	10.00	years	at	5.25%	7.62884	
Deferred for	38.00	years	at	5.25%	<u>0.14307</u>	£8,732

### Next 10 years

New ground rent					£16,000	
Years purchase	10.00	years	at	5.25%	7.62884	
Deferred for	48.00	years	at	5.25%	<u>0.08577</u>	£10,469

### Next 10 years

New ground rent					£32,000	
Years purchase	10.00	years	at	5.25%	7.62884	
Deferred for	58.00	years	at	5.25%	<u>0.05142</u>	£12,552

### Next 10 years

New ground rent					£64,000	
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