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

Case Reference : **LON/00AG/OC9/2013/0055**

Property : **3New College Court Finchley Road
London NW3 5EX**

Applicant : **Brickfield Properties Limited**

Representative : **Messrs Wallace LLP**

Respondent : **Mr A Ardameh**

Representative : **Not represented**

Type of Application : **For the determination of the
reasonableness of costs for a
leasehold extension**

Tribunal Members : **Judge Peter Leighton LLB
Mr L Jarero BSc FRICS**

**Date and venue of
Hearing** : **10 Alfred Place, London WC1E 7LR**

Date of Decision : **19th November 2013**

DECISION

Introduction

- 1 In this case Brickfield Properties Limited apply for a determination of costs under Section 60 of the Leasehold Reform (Housing and Urban Development Act) 1993 “the Act” in respect of a lease extension application under Section 42 to 3 New College Court Finchley Road London NW3 5EX (“the flat”)
- 2 Directions were given on 11th September 2013 and the matter was directed to be heard by way of a paper determination following submissions by the Applicant’s solicitor but no submissions were received by the Respondent

The Law.

- 4 Section 60 of the Act provides as follows: -
“Where a notice is given under Section 42 then (subject to the provisions of this section) the tenant by whom it is given shall be liable to the extent that they had been incurred by any relevant person in pursuance of the notice for the reasonable costs of and incidental to any of the following:-
 - (a) any investigation reasonably undertaken of the tenant’s right to a new lease*
 - (b) any valuation of the tenant’s flat obtained for the purpose of fixing the premium or any other amount payable by virtue of Schedule 13 in connection with the grant of a new lease under Section 56*
 - (c) the grant of a new lease under that section*
- 5 Apart from the above provisions no costs are payable by the tenant in seeking an extension to the lease. Any costs claimed by the landlord, therefore must be shown to fall within one of the above heads in these cases has been considered by Professor Farrand in **Daejan Properties Ltd –v - Parkside 78 LON ENF 1005/03** and by Mr S Carrott in **Daejan Properties Ltd –v- Twin LON/00BK/2007/0026** and **Daejan Properties Ltd –v- Katz and Katz LON 00AC/OC9/2008/0004.**
- 6 The principles in those cases establish that the landlord is entitled to instruct solicitors of his choice and is not required to shop around for

the cheapest solicitors or those practising near to the property in question and that the approach of the Tribunal to the costs issue is in the nature of a “broad brush “approach.

The Evidence

- 7 The Respondent acquired a lease of the flat with the benefit of a notice given by the tenant’s predecessor in title dated 16th May 2012. A counter notice was given in July 2012 admitting the entitlement to a new lease but disputing the price offered.
- 8 Terms of acquisition were agreed in December but the new lease was not completed within the period of the statutory timetable and in April 2013 the application was deemed withdrawn.
- 9 The landlord’s solicitor presented their bill of costs in the sum of £1773 plus VAT and valuer’s costs in the sum of £926.24 plus £16 for disbursements . This is said to be based on 2.3 hours of Mr Shapiro’s time at the rate of £395 per hour
- 10 Solicitor’s costs are based on the sum of £360 per hour rising to £375 per hour in August 2012 for a Grade A fee earner. A schedule of the relevant costs has been produced

The tribunal’s decision

- 11 The tribunal notes that some of the periods of time spent in this case appear to be excessive. 42 minutes to study a simple lease extension notice and 48 minutes to prepare a counter notice for a Grade A partner specialising in this work appears excessive and the tribunal considers that the total bill of £1773 is high for a case which did not proceed. Applying a broad brush approach the tribunal considers that a reasonable figure for the legal fees in this case would not exceed £1,500 and awards that sum.
- 12 With regard to the valuer’s fees the sums claimed are on behalf of Mr Shapiro but the letter sent on 25th July 2012 refers to Mr Kotak as the valuer and the invoice appears to bear his reference MK. No indication is given of the work undertaken and the figure of 2.3 hours.

- 13 The tribunal is prepared to accept the sum of 2.3 hours but considers that a figure of £300 per hour for Mr Kotak is sufficient bearing in mind that he is an associate of Mr Shapiro and does not have his experience. A figure of £300 per hour appears to be in accordance with the rate applicable to a simple lease extension case in outer London.
- 14 Therefore the tribunal allows the legal fees in the sum of £1,500 and the valuer's fee in the sum of £690 plus a disbursement of £16. The fees will carry VAT at the standard rate

Name: Peter Leighton

Date: 19th November 2013