

2861



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

Case reference : **ARG/LON/00AT/OLR/2013/1188**

Property : **Flats 5,7,16, Thornbury Court,
Church Road, Isleworth, Middlesex
TW7 4PP**

Applicants : **Mr A.Rafiq and Mrs K.Sami**

Representative : **Stevensons, Solicitors**

Respondent : **Greenside Property Limited**

Representative : **Calvert Smith & Sutcliffe, Solicitors**

Type of application : **Determination of Costs – s60(1) of
the Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)**

Tribunal member(s) : **A.ENGEL – Judge
N.MARTINDALE F.R.I.C.S.**

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Date of decision : **26th March 2014**

DECISION

**The Applicants are liable to pay to the Respondent the sum of
£ 3,182-40 - pursuant to Section 60 of the Act**

REASONS

Introduction

1. The Applicants have acquired new (extended) leases of the subject flats.
2. The Landlord is the Respondent.
3. The Respondent is entitled to reasonable costs in accordance with Section 60 of the Act.

Dispute

4. There is a dispute as to the amount of the reasonable legal costs.

Section 60(2)

5. Section 60(2) of the Act provides:-

“.....any costs incurred by a relevant person in respect of professional services rendered by any person shall only be regarded as reasonable if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.”

Paper Determination

6. The Tribunal has determined this matter on the papers – pursuant to Rule 31 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

Evidence

7. The Respondent's Solicitors have provided a Schedule – which has been endorsed by the Applicants' Solicitors and both firms of Solicitors have provided written representations.

VAT

8. The Respondent is registered for VAT. The Respondent's Solicitors are also registered for VAT.
9. Our analysis of the situation is that the Respondent's Solicitors must charge VAT to the Respondent but the Respondent can reclaim that VAT as an “input”.

10. Thus, the Applicants are not liable to pay VAT to the Respondent.

Discount

11. The Applicants' Solicitors do not dispute the hourly rate (£240) but propose that a 15% discount should be made on account of the Respondent dealing with 3 leases at Thornbury Court and the fact that the Respondent's Solicitors have been instructed by the Respondent in the past – on other matters.

12. The Respondent's Solicitors have informed the Tribunal that no discount was requested by the Respondent and neither was a discount offered by them to the Respondent.

13. The Tribunal considers that had the costs been payable by the Respondent, it is likely that a 15% discount would have been requested and agreed.

14. Accordingly, in accordance with Section 60(2) of the Act – see No.5 above – the Tribunal deducts a 15% discount.

Seniority

15. The Applicants' Solicitors make an (unspecific) point on this aspect of the matter. The Tribunal accepts the evidence adduced by the Respondent's Solicitors on this issue and makes no deduction on account of seniority.

Half-Units

16. The Applicants' Solicitors submit that certain items should be allowed at half-units.

17. A unit is 6 minutes. The Tribunal considers that to reduce a unit further is unrealistic and we have proceeded accordingly.

Flat 7

18. The endorsed Schedule is at Pages 22 and 23 of the Bundle.

19. The Applicants' Solicitors object to 2 items in Stage 1. We accept the evidence of the Respondent's Solicitors on these items and we reject the objections.

20. The Applicants' Solicitors object to 7 items in Stage 2. We accept the evidence of the Respondent's Solicitors on these items and we reject the objections – save that we consider that the reasonable time for drafting the new lease is 5 units (rather than 7) and the letter from the other side re the draft lease should be disallowed.

21. Thus, the reasonable costs for Flat 7 are:-

Stage 1 – 27 Units = £648 + Stage 2 - 28 units = £672

Total = £1,320 - less 15% (£198) = **£1,122.**

Flat 5

22. The endorsed Schedule is at Pages 24 – 26 of the Bundle.

23. The Applicants' Solicitors object to a number of items in Stage 1. We accept the evidence of the Respondent's Solicitors on these items and we reject the objections – save that we consider that the telephone calls on 25-27/03/13 should be allowed at 1 unit and the e-mail to client on 11/04/13 should be disallowed.

24. The Applicants' Solicitors object to a number of items in Stage 2. We accept the evidence of the Respondent's Solicitors on these items and we reject the objections.

25. Thus, the reasonable costs for Flat 5 are:-

Stage 1 – 25 units = £600 = Stage 2 – 28 units = £672.

Total - £1,272 – less 15% (£190-80) = **£1,081-20.**

Flat 16

26. The endorsed Schedule is at Pages 27 and 28 of the Bundle.

27. The Applicants' Solicitors object to a number of items in Stage 1. We accept the evidence of the Respondent's Solicitors on these items and we reject the objections – save that we consider that the telephone calls on 25-27/03/13 should be allowed at 1 unit and the e-mail to client on 11/04/13 should be disallowed.

28. The Applicants' Solicitors object to a number of items in Stage 2. We accept the evidence of the Respondent's Solicitors on these items and we reject the objections.

29. Thus, the reasonable costs for Flat 16 are:-

Stage 1 – 22 units = £528 + Stage 2 – 26 units = £624.

Total - £1,152 – less 15% (£172-80) = **£979-20.**

Conclusion

30. The Applicants are liable to pay to the Respondent the sum of £ 3,182-40 (£1,122 + £1,081-20 + £979-20) - pursuant to Section 60 of the Act.

Name: A.J.ENGEL

Date: 26th March 2014