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

Case Reference : **LON/OOBK/OC9/2014/0003**

Property : **72 GROVE HALL COURT HALL
ROAD LONDON NW8 9NY**

Applicant : **BRICKFIELD PROPERTIES LTD**

Representative : **Wallace LLP**

Respondent : **MS JULIE ANN PRICE**

Representative : **Clinton Davis Pallis**

Type of Application : **Determination of costs**

Tribunal Members : **JUDGE TAMARA RABIN
MR TREVOR JOHNSON FRICS**

**Date and venue of
Hearing** : **17th March 2014 at 10 Alfred Place,
London WC1E 7LR**

Date of Decision : **17th March 2014**

DECISION

FACTS

1. This is an application by the solicitors for the Applicant landlord for the determination of the landlord's reasonable costs under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act").
2. The Applicants are the landlords, Brickfield Properties Ltd and the Respondent is Ms Julie Ann Price. It relates to the costs incurred by the Applicants in the grant of an extended lease of the flat known as 72 Grove End Court, Hall Road London NW8 9NY 9 ("the Property"). The Applicant has made this application for the reasonableness of their costs in connection with the lease extension to be determined by the Tribunal in accordance with Section 60 of the Act. The Tribunal dealt with the application on consideration of the documents only and without a hearing.

SUBMISSIONS

3. Both parties made written submissions to the Tribunal. The Applicants stated that the freehold of the building of which the Property forms part is owned by Daejan Investments (Grove Hall) Ltd ("Daejan") and the freehold is subject to a lease of a number of the flats including the Property. The head lessor is the Applicant.
4. The previous long leaseholder of the Property made an application for an extension of her lease by way of a Notice of Claim on 24th May 2012. The Property was sold to the Respondent on 1st June 2012 and the benefit of the Notice of Claim was assigned to the Applicant.
5. The Applicant's solicitors were not supplied with the required assignment documents within the required time scale and the Applicant's solicitors served a Counter Notice on the basis that the Notice of Claim was deemed withdrawn as there had not been a simultaneous assignment of the lease under which the Property was held.
6. On 1st February 2013 the Respondent's solicitors did submit documentation and made an application to the First Tier Property Chamber in accordance with Section 48 of the Act.
7. The terms of acquisition of the new lease were agreed between the parties on 5th June 2013 and the hearing listed was vacated.
8. The Respondent had until 5th October 2013 to complete the lease in accordance with Section 48 of the Act but completion did not take place. Accordingly the Notice of Claim was deemed withdrawn. The Respondent has not agreed the Applicant's solicitors statutory costs and this application was made for the costs to be determined.

9. The Applicant's solicitors produced a detailed statement of costs setting out the date the work was completed, the type of work, the level of the fee earner and their hourly rate, the amount claimed and disbursements incurred. The Tribunal has had sight of the breakdown.
10. The Applicants state that the reasonable costs of their solicitors are £1,859 plus VAT as well as £64 Land Registry fee and £37.93 plus VAT for courier fees. The valuer's fees are £754 plus VAT.
11. The time spent was that of a partner in the solicitors' firm whose charging rate was £360 per hour (increasing to £375 per hour in January 2013). An assistant solicitor also did some the work at a charging rate of £275 per hour. The Applicant has been using the same solicitor for many years and has confidence in them.
12. The valuer was Ms Jennifer Ellis who is well qualified and her charges of £754 plus VAT are reasonable
13. The Respondent did not submit a statement in reply in accordance with the Tribunal's directions, and the Applicants assumed that there was no objection.
14. The Tribunal did receive submissions from the Respondent's solicitors but not until 3rd March 2014, having been directed to file submissions by the 14th February 2014. They stated they considered that the hourly rate should be £275 per hour and no more and that the time spent in obtaining office copies should be reduced from 18 minutes to 12 minutes.

DECISION

15. Section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993, a tenant who serves a section 42 notice becomes liable to pay the landlord's reasonable costs of and incidental to –
 - (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 the connection with the grant of a new lease.
16. By section 60(2), the costs imposed for professional services should only be regarded as reasonable –
 - if and to the extent 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 to pay the costs.
17. The Applicant has provided a detailed schedule of the work undertaken. It has also been explained that the Applicant has used the same solicitors for many years. The basis of the fees is the time spent by solicitors of various levels. The solicitors are based in Mayfair and a

partner has undertaken much of the work at the cost referred to above. Where an assistant has undertaken the work, the charge was less at £275 per hour.

18. In the Tribunal's view the Applicant was entitled to choose whichever solicitor he wished and that the charges are consistent with the usual charge out rates for Central London and this is a view shared by the Tribunal in other decisions. The Tribunal does not agree with the Respondent that the fees should be reduced to £250 per hour.
19. The only other objection raised by the Respondent is that the time spent in obtaining office copy entries should be reduced. The Tribunal is aware that a landlord must investigate a tenant's right to a new lease and reviewing office copy entries is part of this. In this case there is a freehold title and a head leasehold title and 18 minutes of a paralegal's time in investigating the title is not excessive.
20. There were no objection to the valuers fee and in any event the Tribunal considers that the valuer's fee is reasonable

Conclusion

21. The Tribunal has had careful regard to the submissions by both parties (albeit that the Respondent's submissions were very late) and is satisfied that the sums claimed are reasonable and properly incurred in respect of the work undertaken and in the light of requirements of Section 60 of the Act.

Judge Tamara Rabin

