



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

Case Reference : LON/00AZ/OC9/2018/0298

Property : Flat 24 Barnes House, John Williams Close, London SE14 1 QW

Applicant : Jan Olszanski

Representative : Collins Benson Goldhill LLP

Respondents : (1) Chime Properties Limited
(2) Eastgate SE14 (Blocks A,B, C and D) Management Company

Representative :

Type of Application : Section 60 Costs

Tribunal : Judge Daley
Mr L Jarero BSc FRICS

Date of Decision : 11 March 2019

DECISION

The Tribunal has determined that the amount payable by the Applicant shall be the following:-

- (1) For the third parties costs shall be in the sum of £120.00+Vat.

Reasons for Decision

1. The Applicant has applied for a determination of the reasonable costs under section 60(1) of the Leasehold Reform Housing and Urban Development Act 1993.

2. The Applicant was represented by Collins Benson Goldhill LLP. In the statement of case, the applicant set out as follows:- “2. Eastgate are a management company made up of the leaseholders and it has the sole function of managing the Building for the benefit of the Freeholder and leaseholders. They are not a “landlord” for the purpose LRHUDA 1993 and have no legal input in the... draft lease or the negotiation of the premium. However, they are third parties to the lease and so have to execute it in order for the lease extension to proceed...*Freshlaw* have not provided a formal breakdown of their fees but have stated in an email dated 27 September 2018 that their costs in advising their client as to the contents of the lease and arranging for it to be executed is £560+VAT and disbursements based on the following: “ Our reasonable legal costs involve time spent in taking instructions from our client, checking the notices and the tenant’s entitlement to the new lease...liaising with your good self and the freeholder’s solicitors... 4. It is submitted that Eastgate/Urang are not landlords as they do not have a proprietary interest and so had no input in checking the Notices or drafting them. Indeed, JB Leitch (acting for the freeholder) have confirmed that they have had no contact with Freshlaw at all...”
3. The Applicant stated in their statement of case that the cost for Eastgate/ Urang to simply execute and return the lease should be no more than £60+ Vat as in their view the role of Eastgate/ Urang was purely administrative.
4. The Tribunal noted that there was no schedule of costs provided by the Respondent, and they had not provided a statement of case in response.

The Tribunal has considered section 60 (2) which states:-

For the purposes of subsection (1) 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.

5. The Tribunal decided that a party who was represented by a solicitor, would not expect to pay for the services of a solicitor to represent the management company and accordingly, any such costs as are payable should be purely for the administrative function of considering and executing the lease. The Tribunal has allowed the sum of £120.00 plus vat which in the absence of a detailed breakdown of costs, represents the Tribunal’s assessment of the reasonable time, and rate of remuneration for the managing agents considering and signing the lease.
6. The Tribunal has applied a globe approach, and on that basis, the Tribunal is satisfied that the reasonable costs under section 60 (a)

Name: Judge Daley

Date: 11 March 2019

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite not being within the time limit.

The application for permission to appeal must identify the decision of the tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

Appendix of relevant legislation

Leasehold Reform, Housing and Urban Development Act 1993

Section 60

Costs incurred in connection with new lease to be paid by tenant.

(1) 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 have been incurred by any relevant person in pursuance of the notice, for the reasonable costs of and incidental to any of the following matters, namely—

(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;

but this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.

(2) For the purposes of subsection (1) 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.

(3) Where by virtue of any provision of this Chapter the tenant's notice ceases to have effect, or is deemed to have been withdrawn, at any time, then (subject to subsection (4)) the tenant's liability under this section for costs incurred by any person shall be a liability for costs incurred by him down to that time.

(4) A tenant shall not be liable for any costs under this section if the tenant's notice ceases to have effect by virtue of section 47(1) or 55(2).

(5) A tenant shall not be liable under this section for any costs which a party to any proceedings under this Chapter before a leasehold valuation tribunal incurs in connection with the proceedings.

(6) In this section "relevant person", in relation to a claim by a tenant under this Chapter, means the landlord for the purposes of this Chapter, any other landlord (as defined by section 40(4)) or any third party to the tenant's lease.