



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

Case Reference : **LON/00AY/OC9/2019/0258**

Property : **Garden Flat 1A Ulverstone Road,
London SE27 0AJ**

Applicant : **Michelle Bromfield**

Representative : **In person**

Respondent : **Cameron Ryan**

Representative : **Anthony Gold Solicitors**

Type of Application : **Costs under s60 Leasehold Reform
Housing and Urban Development
Act 1993**

Tribunal Members : **Judge F J Silverman Dip Fr LLM**

**Date of paper
consideration** : **04 March 2019**

Date of Decision : **04 March 2019**

DECISION

The Tribunal allows the Respondent the sum of £435.00 exclusive of VAT (£532 VAT included) in respect of its costs under s60 Leasehold Reform Housing and Urban Development Act 1993. The sum allowed is payable in full by the Applicant.

REASONS

- 1 This decision relates to an application for assessment of costs under s60(1) Leasehold Reform Housing and Urban Development Act 1993 (the Act) made by the tenant of the property situated and known as Garden Flat 1A Ulverstone Road London SE27 0AJ (the property) in relation to a claim for an extended lease by the Applicant tenant.
- 2 This matter was decided at a paper consideration held on 04 March 2020. A bundle of documents had been prepared by the Applicant and was considered by the Tribunal in reaching its decision.
- 3 The issues before the Tribunal were firstly whether the Respondent was entitled to costs at all and secondly, if so, whether the costs demanded were reasonable.
- 4 The factual background to the application is that the Applicant had served a notice on the Respondent freeholder asking for an extended lease of the property under the provisions of the Leasehold Reform Housing and Urban Development Act 1993. The Applicant's claim was treated by the Respondent as having been withdrawn on her alleged failure to deduce title and pay the demanded deposit. Negotiations for the grant of the lease extension never commenced and the matter was never concluded. Other than the service of a counternotice the Respondent seems not to have made any serious attempt to deal with this matter apart from serving a notice on the Applicant demanding payment of his solicitors' costs.
- 5 The Respondent's solicitors' costs schedule claims £1,573.80, including VAT, for dealing with the Applicant's notice and the service of the counternotice.
- 6 Their detailed schedule of costs (Document 4) suggests that Mr Mitchell, a partner in the Respondent's solicitors' firm, was charging £300 per hour for his work and that Ms McKie, described as a 'leasehold executive' was charging an hourly rate of £225. The Tribunal considers that Mr Mitchell's rate was reasonable and representative of a qualified solicitor working in a similar suburban London firm. It considers however, that Ms McKie's rate should be reduced to £150 per hour as she was an unqualified employee.
- 7 The costs claimable under s60 are restricted to the landlord's investigation of the tenant's title, preparation of the counter-notice, valuation for the purpose of fixing the premium and the costs of preparation of the new lease.
- 8 In the present case the only significant steps taken by the Respondent's solicitors were the investigation of the tenant's right to claim (ie her notice) and the preparation and service of the counternotice. No investigation of title, valuation or preparation of the new lease ever took place.
- 9 These therefore are the only items which are chargeable and claimable under s60 and must in themselves be reasonable in amount.

- 10 The Tribunal considers that the Respondent's solicitors' charges for attending their client amounting to 1.6 hours @ £150 (£235) in total should be allowed together with 0.5 hours @ £150 (£75) for attendance on 'opponent' (the Applicant).
- 11 The schedule of costs does not specify to whom the 'attendance on others' relates nor the reasons for these matters and therefore none of these costs are allowed. Similarly, there is no evidence that land registry copies were obtained or that a courier was either necessary or indeed used in this case. Both of these items are disallowed.
- 12 Work done on documents is confined strictly to items 1 and 2 totalling 1.5 hours @ £150 (£225).
- 13 The total allowed to the Respondent by the Tribunal and payable by the Applicant under this application is £435.00 exclusive of VAT which when added at 20% (£97) gives a grand total of £532 payable by the Applicant to the Respondent.

14 The Law

Leasehold Reform Housing and Urban Development Act 1993 s 60(1)

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.'

Judge F J Silverman as Chairman

Date 04 March 2020

Note:

Appeals

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.