



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

Case reference : **LON/00AH/OC9/2021/0198**

**HMCTS code
(paper, video,
audio)** : **Video Remote**

Property : **Flat 2, 117 Waddon New Road, Croydon
Surrey Cro 4JE**

Applicant : **Jaweed Osman**

Representative : **Ms Corrinne Tuplin – Pro Leagle**

Respondent : **Mr Geoffrey Ellis**

Representative : **Paul Verlander**

Type of application : **Application to decide the costs to be
paid Under Section 60(1) of the
Leasehold Reform Housing and Urban
Development Act 1993
Judge Daley**

**Tribunal
member(s)** : **Mr D Jagger MRICS**

**Venue and
Date of Hearing
determination** : **Heard remotely 10 Alfred Place,
London WC1E 7LR on 16 March 2022**

Date of decision : **16 March 2022**

DECISION

Covid-19 pandemic: description of hearing

This has been a remote hearing; The form of remote hearing was Video Remote. An in-person hearing was not held because all issues could be determined in a remote video hearing. The documents that the Tribunal were referred to are in an electronic bundle of 158pages, the contents of which have been noted.

The Video remote hearing was attended by Ms Corinne Tuplin of Pro-Leagle on behalf of the Applicant. Due to connectivity issues the Respondent Mr Ellis, and his solicitor Mr Verlander attended by telephone.

Decision

The Tribunal has determined that the cost to be paid by the Applicant in accordance with Section 60 (1) of **Leasehold Reform Housing and Urban Development Act 1993 (“ the 1993 Act”)** **£1500 (one thousand Five hundred pounds inclusive of VAT (of £250) for the legal costs and £500.00 for the surveyor’s costs. The Total costs payable is £2000.00(Two thousand pounds inclusive of VAT. Background**

1. The background is as set out in the Applicant’s Applicant and Section 60 (1) cost schedule. In brief the applicant who is the leaseholder seeks a determination on the cost payable for the investigation work undertaken and up to and including the service of the counter notice.
2. The costs at the issue of the application were £3,862.00.
3. The Tribunal heard submissions from Ms Tuplin, who amplified her written submission which was set out in her Schedule. She set out that there were no invoices, in respect of the costs which were payable, and that her client had some difficulty in ascertaining what was being claimed by way of costs as the Respondent had submitted more than one invoice, the Applicant’s representative referred to three invoices. However at the hearing it was clarified that the costs sought were £1250.00 plus VAT (total £1500.00) for 5 hours legal work and £850.00 for the valuation fee of Sweeting Associate. Costs were sought in the total sum of £2350.00.

The Hearing

4. At the hearing Ms Tuplin told the Tribunal that the costs which were considered reasonable and payable for legal fees was £193.60 plus VAT. Ms Tuplin had based her figures on the fact that she believed that the bulk of the work had been undertaken by Ms Karen Muir, who was described as an experienced paralegal. She stated that a reasonable hourly rate of a paralegal was £121.00 plus VAT, which was based on the suggested rate set down for Paralegals in the Fee Earner Guideline Rates. She had assessed the work undertaken by Ms Muir to have been for a maximum of 1 hour and 36 minutes. She therefore submitted that the total sum payable should be £232.32 inclusive of VAT.
5. In respect of the Surveyors fee, she submitted that no surveyor was named on the invoice, and that there was no request made to her client for an inspection, accordingly only a desk top valuation would have been carried out, and given this the reasonable sum payable was no more than £400.00. Ms Tuplin also referred to the website of Carpenter & Co in which tenants lease extension work was offered at a fixed fee of £500.00 plus VAT of evidence that the fee charged by him was out of kilter.

6. The Tribunal heard from Mr Verlander in reply.
7. Mr Verlander informed the Tribunal that his hourly rate was £250.00 per hour, he rejected in its entirety the allegations inferred by Ms Tuplin that the work had been undertaken by a paralegal and that he had claimed the solicitors' hourly rate. He stated that he had delegated some work to Ms Karen Muir which had meant that he had spent less time on the work. However he had absorbed her costs under his hourly rate.
8. He also rejected the suggestion that the Valuer had not undertaken an inspection. He referred the Tribunal to the invoice from the valuer.
9. The Tribunal heard from both the Applicant's representative and the Respondent's representative in closing.

The Tribunal Decision and reasons

10. The Tribunal considered the submissions of both parties, it reminded itself of the law, that the cost incurred had to be assessed "if the circumstances had been such that he was personally liable for all such costs." That is, that the Applicant was responsible for paying the cost without the possibility of recovery.
11. The Tribunal considers that such a party should be considered as having a reasonable but not excessive budget for legal costs, and that such a party would where possible, keep a careful eye on the costs, and would take steps to reduce costs and ensure that the work being undertaken was proportionate; that is only what was necessary to deal with the claim. where appropriate, such a party would seek a discount.
12. The Tribunal has applied this assessment of what a reasonable paying party would expect when assessing the costs. It has also stood back and used its knowledge and experience to consider whether the costs, are reasonable and proportionate, and whether a paying party, would ask those who assist to take steps to further reduce the costs.

The Solicitors Costs

13. The Tribunal accepted the evidence of Mr Verlander and preferred his approach to the costs. It accepted his evidence that he had overseen the work undertaken by Ms Muir, and his practice had been to absorb the costs of work undertaken by her rather than charge an additional fee.
14. The Tribunal has also used its knowledge and experience, of legal costs and has decided that the approach undertaken by Mr Verlander has not resulted in excessive costs. The Tribunal has decided that the sum of £1250.00 for 5 hours work is reasonable and payable. This is considered a highly technical area of law to be conducted by a solicitor with the requisite knowledge and experience in this field.

The surveyor's fees

15. The Tribunal has considered the surveyors fees, it noted that there was a factual dispute between the parties concerning how the valuation had been carried out. The Tribunal decided that it was not germane to its decision to resolve this dispute although it accepted the invoice provided by Sweetings Surveyors. The Tribunal noted that in order to serve a counter notice, an initial survey would be undertaken, the Tribunal

accepted that this would not be a detailed valuation report, it would merely be to provide the Respondent with a valuation which could be put before the Applicant in the counter notice. Given this the Tribunal considered that the sum payable for such work would be no more than £500.00

16. The Tribunal therefore determines that cost of -:
- a. £1250.00 for solicitor's fees plus VAT of £250.00 in the total sum of £1500
 - b. Surveyor's fees of £500.00.

The Tribunal determines that the reasonable sue payable for Section 60 (i) costs is in the total sum of £2000.00

Signed: Judge Daley
Dated 16 March 2022

Right of Appeal

1. 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.
2. 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.
3. 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.
4. 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.

Appendix one

Section 60 of the 1993 Act

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.