



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

Case Reference : **LON/OOBC/OLR/2013/0043**

Property : **3A, The Drive, Ilford, Essex IG1
3EX**

Applicant : **Northridge Estates Limited (The
Landlord)**

Representative : **Northridge Estates Limited**

Respondent : **Shammi Kapoor Leal**

Representative : **Verbatim Property Lawyers
Limited**

Type of Application : **S60 Leasehold Reform, Housing
and Urban Development Act 1993
(the Act)**

Tribunal Members : **Mr A. A. Dutton - Judge
Mr H J R Geddes JP RIBA
MRTPI**

**Venue of
Determination (no
hearing)** : **10 Alfred Place, London WC1E 7LR**

Date of Decision : **16th July 2013**

DECISION

The Tribunal determines that the sum payable by the Respondent shall be £1,050 as representing the costs payable under the provisions of section 60 of the Act

REASONS

1. This application was made by the freeholder Northridge Estates Limited, for a determination of the costs payable by the Respondent Shammi Kapoor Leal pursuant to section 60 of the Act.
2. It appears from the papers before us that an earlier attempt at enfranchisement proved abortive as no application was made to the Court by the Tenant under the provisions of section 48(3) of the Act within the time limits provided for at subsection (5). The representatives for the Respondent appear to blame the Applicant for this. This matter is not the subject of the application before us. However, it seems to us that it is for either party, in that case surely the Respondent tenant, to apply to the Court if it is thought that the Landlord is not meeting the requirement of the section 48 of the Act. Further, it is appropriate for the Landlord to deduct costs from the deposit (see Sch 2 para 3(3) of the Leasehold reform(Collective Enfranchisement and Lease Renewal) Regs 1993).
3. Returning to the application before us we were provided with the following documents:
 - A letter from Northridge Estate Limited (NEL) dated 20th May 2013.
 - Written submissions of the Landlord as to legal costs dated 31st May 2013. Two LVT precedents accompanied this submission
 - A written response from the representatives of the Respondent tenant unsigned but dated 14th June 2013.
 - A further reply from the Landlord dated 21st June 2013.
 - A further response from the representative of the Respondent tenant dated 25th June 2013.
 - Copies of letters written by the tenants representative in 2011
These were read by us.
4. The thrust of the Respondent's case was that the Landlord was not entitled to recover the costs of its in-house solicitor in dealing with the matters set out at section 60 of the Act. Notwithstanding that it was referred to the case of Cressingham Properties Limited [1999]2 E.G.L.R. 117, in a response dated 25th June 2013 the following is said "*Cressingham obviously does not support the Applicants (meaning the Respondent in this case) legal argument therefore it was not cited in the submissions. The Applicant did not waste time citing a case that should be overturned...*".
5. The Landlord's case is that the matter is dealt with by a Mrs Alison Sandler the senior in-house solicitor who has been qualified for some 20 years and is the sole solicitor in the Landlord's company who deals with applications under the Act. It is said that an equivalent solicitor in private practice would charge in the region of £260 per hour and that therefore the fees sought of £1050 represent only 4 hours work at that rate.

6. As we have indicated above, the various submissions have been read by us and taken into account in reaching our decision. However the nub of the matter is set out at paragraphs 4 and 5 above.

THE LAW see attached appendix

FINDINGS

7. There appears to be no challenge to the quantum of the costs claimed by the Landlord. The statement of the Tenant's representative dated 14th June deals with matters that are not before us (see paragraphs 2 – 7). The remainder of the submission merely expands upon the matter set out in paragraph 4 above.
8. We find that the Landlord is entitled to recover his costs. The law is to be found at section 60(2) which enables the 'relevant person', in this case the Landlord, to recover the costs incurred in respect of 'professional services rendered by any person'. That person can be an in-house solicitor, as is the case here.
9. We see that our colleagues found that the costs of Mrs Sandler in 2008 in the sum of £750 were reasonable (LON/OOAL/OC9/2007/0065). At that time it appears that they considered an hourly rate of £145 was not unreasonable. Like them we have no breakdown of the time spent, nor the cost to the Landlord of Mrs Sandler. No indication is given of her pay rates for example. However, assuming that some 4 to 5 hours was spent on the matters for which a cost is recoverable under section 60, which in our opinion would not be unreasonable, this would give an hourly rate of £210 if 5 hours were correct and the sum claimed of £1050 were allowed. We do not find that an unreasonable sum. We have no alternative suggested by the Respondent. Accordingly we allow the sum of £1,050 as being the costs payable to the Landlord for completing the works provided for in section 60 of the Act.

Andrew Dutton 16th July 2013

Andrew Dutton - Tribunal Judge

The Relevant Law

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.