



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

**Case Reference** : LON/00AM/LCP/2014/0003

**Property** : Hoxton House, 34 Hoxton Street,  
London N1 6LR

**Applicant** : Assethold Ltd

**Representative** : Conway & Co, solicitors

**Respondent** : Hoxton House RTM Co Ltd

**Representative** : The tenants

**Type of Application** : Determination of costs

**Tribunal Member** : Judge Adrian Jack

**Venue of Deliberations** : 10 Alfred Place, London WC1E 7LR

**Date of Decision** : 4<sup>th</sup> April 2014

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**DECISION**

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## **Decisions of the tribunal**

- (1) The Tribunal pursuant to section 88 of the Commonhold and Leasehold Reform Act 2002 determines that the managing agent's fees in the sum of £350 plus VAT are reasonable and payable by the respondent to the applicant.

## **Procedural**

1. The applicant landlord by application received on 14<sup>th</sup> January 2014 applied to the Tribunal pursuant to section 88 of the Commonhold and Leasehold Reform Act 2002 for the determination of the costs payable to it by the respondent RTM company. The costs sought comprised solicitors' fees of £518.10 (including VAT) and managing agents' fees of £350 plus VAT.
2. The Tribunal gave directions on 15<sup>th</sup> January 2014 and these were substantially complied with. The Tribunal gave directions for the matter to be determined on paper unless either party requested a hearing. In the event, neither did, so I determine this matter on paper.

## **Determination**

3. Section 88 provides:

“(1) A RTM company is liable for reasonable costs incurred by a person who is—

- (a) landlord under a lease of the whole or any part of any premises,
- (b) party to such a lease otherwise than as landlord or tenant, or
- (c) a manager appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises,

in consequence of a claim notice given by the company in relation to the premises.

(2) Any costs incurred by such a person in respect of professional services rendered to him by another are to be regarded as reasonable only 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) A RTM company is liable for any costs which such a person incurs as party to any proceedings under this Chapter before a leasehold valuation tribunal only if the tribunal dismisses an application by the company for a determination that it is entitled to acquire the right to manage the premises.

(4) Any question arising in relation to the amount of any costs payable by a RTM company shall, in default of agreement, be determined by a leasehold valuation tribunal.”

4. In the current case, the parties have agreed the amount of the solicitors' fees, which the Tribunal would in any event have considered reasonable applying the test in section 88(2) above.
5. In relation to the managing agents' fees, these comprise a sum of £250 plus VAT in respect of 2 hours and 35 minutes works set out in the invoice of 31<sup>st</sup> July 2013 and £100 plus VAT for settling the counternotice.
6. In my judgment the sum of £250 plus VAT is reasonable for the work done by the managing agents. It is a rate of a little under £100 per hour, which is less than the £150 per hour generally charged by the managing agents under their agreement with the landlord and is an agreed fee under Appendix 3 of the agreement.
7. So far as the £100 plus VAT for the counterclaim, this is something which would often be done by the solicitors acting for the landlord, at a cost which would be more than £100. In my judgment it too is reasonable.
8. The tenants raise various issues about the managing agents' and the landlord's behaviour. None of these in my judgment is relevant to the current application. If the tenants wish to pursue these matters, they will need to make an application either to this Tribunal or to the County Court.
9. There were no applications in respect of costs.

**Name:** Judge Adrian Jack

**Date:** 4<sup>th</sup> April 2014