



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

Case Reference : **AGR/LON/00BC/Oc9/2015/0288**

Property : **15 Avenue Road, Chadwell Heath,
Romford, Essex RM6 4JF**

Applicant : **Ronald & Diana Pelly**

Representative : **Ronald Pelly**

Respondents : **Tulsesense Limited**

Representative : **SA Law**

Type of Application : **Costs (Lease extension)**

Tribunal Members : **Judge Tagliavini**

**Date and venue of
hearing (paper)** : **10 Alfred Place, London WC1E 7LR
25 August 2015**

Date of Decision : **25 August 2015**

DECISION

- (1) The tribunal determines that the total sum payable by the Applicant tenants to the Respondent landlord in respect of the Respondent's statutory costs is **£1,965 plus VAT**.

The application

1. Further to an application dated 26 June 2015 made pursuant to the provisions of the Leasehold Reform, Housing and Urban Development Act 1993, the Applicants seek the tribunal's determination on the reasonable costs payable to the landlord pursuant to a notice seeking a lease extension but subsequently deemed withdrawn. On 30 June 2015 the tribunal issued directions. In accordance with these directions the Applicants provided a bundle of documents for the hearing. On 7 August 2015 the Respondent's provided to the Tribunal a Statement in Response to the Applicants' submissions. The Applicants objected to the admission of this statement and took exception to its late service as well as its contents and sought permission to file a response. However, the tribunal notes that its directions do not provide for a further response to be made by the Applicants in any event. The tribunal considers that it is proportionate and appropriate to admit the Respondent's Statement in Reply for the purposes of this application and finds that the Applicants are not unfairly disadvantaged by this having been duly served with a copy.
2. The tribunal notes therefore that the substantive issue it is asked to determine is:
 - (i) What are the reasonable legal and valuation costs pursuant to section 60 of the 1993 Act and payable by the Applicant tenants to the Respondent landlord in respect of the notice seeking a lease extension (subsequently deemed withdrawn).

The Applicants case

3. The Applicants contend that the reasonable legal costs payable amount to £200 plus VAT in addition to valuation costs of £200 plus VAT. The Applicants contend that the costs sought by the Respondent are excessive and do not take into account economies of scale, the tribunal's previous decision in respect of the same property dated 5 February 2014 and assert that to an excessive period of time is being charged for matters that are familiar both to the Respondent and to the valuer.

The Respondent's case

5. The Respondent submits that the tribunal's previous decision was made in relation to an earlier notice served in 2011, which was subsequently to have been deemed withdrawn. Consequently, given the lapse of time and change of tenants the usual checks for validity would have to be repeated. Although the Respondent owns a number of properties there is no fixed fee agreed, as each application has to be dealt with on its merits, as there are a number of variables, which often require individual consideration. A new valuer was instructed by the Respondent, as there was no continuing professional relationship with the one previously instructed. Further, the Respondent submitted that the most recent notice had to be considered afresh and therefore costs amount to £2,820.00 including VAT and the £750 valuation fee were incurred.

The tribunal's decision and reasons

6. The tribunal determines that a total of £1,965.00 plus VAT amount to the reasonable costs of the landlord and are payable by the tenants. The valuation fee of £750 plus VAT incorporated into this sum is also considered reasonable by the tribunal.
7. The tribunal accepts that given the time elapsed between service of a notice in 2011 and one served in 2014 the landlord would effectively have to begin the investigation into the validity of the notice and the valuation process afresh. The tribunal notes that although the Applicants have asserted in their application that the landlord seeks costs amounting to £2,522.25.00 these are in fact completion costs. The sums sought by the Respondent in relation s.60 costs and valuation fees is £2,820.00 inclusive of VAT the legal costs element of which amounts to £1,600 exclusive of VAT and a valuation fee of £750 plus VAT.
8. The tribunal finds that the grade level of fee earners used in this transaction is appropriate and the hourly rate within the range of what can be considered to be reasonable. However, the tribunal considers the amount of time spent on this transaction to be on the excessive side for a firm experienced both in this area of law and with this property. Therefore the tribunal considers that it is appropriate to reduce the time spent of the graded B fee earner by one hour and the grade A fee earner by 30 minutes. This gives rise to a reduction of £385 plus VAT.

9. In conclusion the tribunal finds that the reasonable costs payable by the tenants are £1,215.00 plus VAT and valuation costs of £750 plus VAT.

Signed: Judge Tagliavini

Dated: 25 August 2015