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**Residential
Property**
TRIBUNAL SERVICE

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE
DECISION OF THE LEASEHOLD VALUATION TRIBUNAL
(LONDON PANEL)**

**LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT
1993 SECTION 60**

Property: Flats 10, 12, 16, 19, 28, 31.32, 34, 40, 46, 57, 60, 61,
62, 63 and 65, Laurel Manor, 18 Devonshire Road,
Sutton, Surrey SM2 5EJ
Landlord: Proudale Ltd
Tenants: Various

Tribunal Member:
Mr Adrian Jack (Chairman)

Ref : LON/00BF/OC9/2007/0055

1. The landlord seeks a determination of the legal costs to which it is entitled under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993 as a result of notices served under section 42 of that Act by the tenants in this matter.
2. Section 60 provides:
 - “(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... 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;...
 - (c) the grant of a new lease...
 - (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. The landlord in this matter instructed Mrs Bellis of Juliet Bellis & Co, solicitors, who are based in Croydon. This is a two partner firm. Mrs Bellis did the work herself. She was admitted in 1979 and her charge-out rate is £250 per hour.
4. Liddingtons, the solicitors for the tenants, suggested that it would have been appropriate to employ a more junior solicitor than Mrs Bellis at a cheaper rate of £200 per hour. In fact, however, Mrs Bellis was also the company secretary of the landlord and thus presumably had a good deal more knowledge of the premises than another solicitor. In my judgment it was reasonable to employ Mrs Bellis on this case. No other criticism is made of her charge out rate, so the figure of £250 plus VAT is upheld.
5. Liddingtons suggest that the time spent by Mrs Bellis in instructing a valuer is not recoverable. I disagree. Although there is nothing in section 60 which refers to such costs, it is in my judgment part of the investigation into the tenant's right to a new lease and a necessary incident to the grant of a new lease. The solicitor needs to consider the terms on which a new lease is to be granted and the premium to be paid is a key part of this consideration: it is part and parcel of the tenant's right to a new lease.
6. Mrs Bellis had to consider a number of questions regarding the validity of the notices, the entitlement of the particular tenants to serve them and so forth (she lists eleven points to be considered). Liddingtons criticise the length of time spent on these items but not the items themselves.
7. Liddingtons accept that great care needs to be taken with the counter-notices, because they cannot be amended. They say, however, that time spent considering the valuation reports are not recoverable. Again I do not agree. These costs are incidental to the grant of a new lease.
8. Liddingtons criticise the overall time taken. They say, quite rightly, that there were sixteen applications in identical format. However, they accept that in five of these cases there had been variations to the leases which required individual consideration.
9. The time which Mrs Bellis was seeking to recover is as follows, with Liddingtons' submission in the next column.

1. Attendance on client and advising	10 mins	nil
2. Drafting preliminary notice	10 mins	5 mins
3. Considering the lease and office copies	20 mins	10 mins
4. Instructing the valuer	10 mins	nil
5. Considering tenant's notice, researching Tenant's entitlement	30 mins	10 mins
6. Drafting the counter-notice	10 mins	5 mins
7. Considering the valuation and checking	20 mins	nil
	1 hr 55 mins	30 mins

10. Liddingtons suggested accordingly that each flat owner should pay £100 plus VAT. Mrs Bellis accepted £250 plus VAT.
11. The fact that Mrs Bellis was considering sixteen separate applications undoubtedly means that she was able to enjoy some economies of scale, but this is largely taken into consideration by the limited time she is claiming in

respect of each flat. In my judgment the following are reasonable times for each application.

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| 1. Attendance on client and advising | 5 mins |
| 2. Drafting preliminary notice | 5 mins |
| 3. Considering the lease and office copies | 15 mins |
| 4. Instructing the valuer | 5 mins |
| 6. Considering tenant's notice, researching
Tenant's entitlement | 20 mins |
| 6. Drafting the counter-notice | 5 mins |
| 7. Considering the valuation and checking | 20 mins |

1 hr 15 mins

12. Since this is more than the time claimed by Mrs Bellis, I uphold the figure of £250 plus VAT which she claimed.

DECISION

The Tribunal finds that the owners each flat are obliged to pay £250 plus VAT in respect of legal costs payable under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993.

Adrian Jack

Adrian Jack, chairman

22nd October 2007