



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

Case reference : **MR LON/00AQ/OC9/2015/0402**

Property : **Flat 23 Queens Court, Kenton Lane,
Harrow, Middlesex HA3 9RL**

Applicant : **Charulatta Bipin Ravani**

Representative : **Global Property Consulting**

Respondent : **Daejan Properties Limited**

Representative : **Wallace LLP**

Type of application : **Application for determination of
reasonable costs**

Tribunal member(s) : **Mr Jeremy Donegan (Tribunal
Judge)
Mrs Sarah Redmond MRICS
(Valuer Member)**

**Date and venue of
paper determination** : **30 March 2016
10 Alfred Place, London WC1E 7LR**

Date of decision : **31 March 2016**

DECISION

Decision of the tribunal

The tribunal determines that the costs payable by the Applicant to the Respondent, pursuant to 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act'), are £3,594.60 (three thousand, five hundred and ninety-four pounds and sixty pence) including VAT.

The background

1. The application concerns a claim for a new lease of 23 Queens Court, Kenton Lane, Harrow, Middlesex HA3 8RL ('the Flat') under the 1993 Act.
2. The Applicant served a section 42 notice of claim on the Respondent on 10 April 2015, in which it proposed a premium for a new lease of the Flat of £12,040. The Applicant served a section 45 counter-notice on 12 June 2015, in which it admitted the claim but proposed a higher premium of £34,150.
3. The Applicant submitted an application to the tribunal under section 48 of the 1993 Act, on 29 September 2015.
4. On 28 January 2016, the tribunal received letters from the parties' representatives, stating that the premium for the new lease had been agreed.
5. The issue of costs remains outstanding. Standard costs directions were issued on 05 February 2016. The directions included provision that the case be allocated to the paper track, to be determined upon the basis of written representations. Neither of the parties has objected to this allocation or requested an oral hearing. Paragraph 5 of the directions required the Applicant to file two copies of a bundle of documents, relevant to the outstanding issues, by 18 March 2016.
6. The Applicant failed to file bundles of documents (or any objections to the Respondent's costs), notwithstanding a chasing letter sent by the tribunal on 21 March 2016. The Respondent filed detailed submissions on costs on 17 March 2016. These were accompanied by a breakdown of its legal fees together with copies of the valuation surveyor's invoice, the section 42 claim notice and section 45 counter-notice, the existing lease, the draft new lease and various authorities.
7. The relevant legal provisions are set out in the Appendix to this decision.
8. The tribunal considered all of the documents provided by the Respondent and the original section 48 application form, when coming to its decision.

The tribunal's decision

9. The tribunal allows the Respondent's costs, as claimed. The total sum claimed is £3,594.60, which is broken down as follows:
 - (a) Legal fees - £2,272 plus VAT (total £2,726.40);
 - (b) Land Registry fees - £24;
 - (c) Courier's fees - £3.50 plus VAT (£4.20); and
 - (d) Valuation fee - £700 plus VAT (£840).

Reasons for the tribunal's decision

10. In the absence of any challenge from the Applicant, the tribunal allows the charging rates being claimed for the Respondent's legal costs. These rates are

Partner- £420/425 per hour

Assistant Solicitor - £330 per hour

Paralegal - £180 per hour

The Respondent's solicitors, Wallace LLP, are based in London W1. The rates exceed the guideline rates for London Band 1 published by the Supreme Court Costs Office but are reasonable, given the specialist nature of leasehold enfranchisement work. The guideline rates provide a useful starting point when determining the hourly rate but need not be slavishly followed. Further the tribunal notes that the rates are somewhat out of date, having been published over 5 years ago.

11. In the absence of any challenge from the Applicant, the tribunal allows the time claimed by the Respondent's solicitors. The total time claimed, across the various fee earners, is 5.6 hours. Based on the tribunal's own knowledge and experience, gained from deciding other similar cases, this is within a reasonable range.
12. The tribunal allows £24 for the Land Registry fees and the courier's fees of £3.50 plus VAT. It was reasonable for the Respondent to incur the Land Registry fees in order to investigate the new lease claim. Further it was reasonable to serve the counter-notice by courier, given the penal consequences of late service.

13. The Respondent's valuation was undertaken by Mr Myron Green MRICS of MGC Chartered Surveyors. The Respondent's bundle included an invoice from MGC dated 12 February 2016 in the sum of £700 plus VAT. This was accompanied by a limited breakdown of Mr Green's time. The total time claimed was 3.53 hours and Mr Green's charging rate is £200 per hour. There was no challenge to his fees. Based on the tribunal's own knowledge and experience, both the time claimed and the charging rate are within reasonable ranges.
14. The tribunal has allowed the VAT charged on the Respondent's costs upon the assumption that the Respondent is not VAT registered. If this assumption is incorrect and the Respondent is able to recover the VAT charged then sum due should be adjusted accordingly.

Name:- Tribunal Judge Donegan **Date:** 31 March 2016

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

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.

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.

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.

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.

If the tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

Appendix of relevant legislation

Leasehold Reform, Housing and Urban Development Act

Section 60

(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 the appropriate 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.