



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

**Case reference** : **NAT/LON/OOBK/OC9/2016/0303**

**Property** : **76 Oslo Court Prince Albert Road  
London NW8 7EW**

**Applicant** : **Brickfield Properties Ltd (“the  
Landlord”)**

**Representatives** : **Wallace Solicitors LLP**

**Respondent** : **Harland Riker and Ann Riker (“the  
tenants”)**

**Representatives** : **Freemans Solicitors**

**Type of application** : **For a determination of the  
statutory costs under section 60 of  
the Leasehold Reform, Housing  
and Urban Development Act 1993**

**Tribunal members** : **Ian B Holdsworth MSc FRICS**

**Date of decision** : **19 September 2016**

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**DECISION**

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**Decision**

**Pursuant to section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 statutory costs of £2,134.20 inclusive of VAT are payable by the tenants to the landlord for legal fees and £1,347.84 inclusive of VAT for valuer fees.**

## **The application**

1. By their application received on 13 July 2016 the landlords sought a determination under section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) of the landlord’s statutory costs incurred in an abortive lease extension claim.
2. Standard directions were issued on 18 July 2016. The directions stated that the application was suitable for determination on the basis of written submissions and without an oral hearing but they informed the parties of their right to request an oral hearing. No such request was received and accordingly we have determined the statutory costs on the basis of the written submissions and other documents included in the comprehensive document bundle that was submitted in accordance with the directions.

## **Background**

3. By an initial notice dated 25 June 2015 the tenants claimed the right to acquire a new lease of the flat. The initial notice proposed a purchase price of £65,000. The initial notice gave 4 September 2015 as the last day for the service of the landlord’s counter-notice.
4. The landlord’s counter-notice is dated 2 December 2015. The counter-notice admitted the tenants’ claim but proposed a premium price of £115,000.
5. The terms of the new lease were not agreed between the parties and accordingly on or around 26 February 2016 the respondents made an application to the First Tier Tribunal Property Chamber seeking determination of the premium payable and the other terms of acquisition. The application pursuant to Section 48 was not lodged within the time limit prescribed in the above mentioned section and as such the tenants’ notice was deemed withdrawn.
6. No agreement in respect of the statutory costs payable by the applicant has subsequently been reached and an application was made to the First Tier Tribunal Property Chamber to seek determination of the statutory costs payable.
7. The relevant legal provisions are set out in the Appendix to this decision.

## **The claimed costs**

8. In response to the Tribunal’s directions the landlord provided a schedule of costs suitable of summary assessment. The schedule is detailed and records the time spent in 6 minute units. All the work was undertaken

by a partner, except for a short period spent by an assistant engaged in amending a lease. The partner is a Grade A solicitor whose time is charged at £420 plus VAT per hour. The assistant is charged at a rate of £330 per hour.

9. By the application of the hourly rate to the time spent the schedule seeks to justify the following costs exclusive of VAT:-

Legal fees: £1,750 plus VAT

Courier fees: £3.50 plus VAT

Land Registry fees: £30.00 plus VAT

Valuer fees: £1,494.45 plus VAT

10. The respondents have submitted a schedule that comments on the different elements of the respondents' charges. They argue that the hourly charging rates are excessive. They refer to the rates charged by the HM Courts & Tribunal Service – Solicitors' Guideline Hourly Rates. These show a guideline hourly rate for a Pay Band A in London W1 of £370 per hour, assistant solicitors of £242 per hour and for paralegals of £126 per hour.
11. The respondents' solicitors also claim that excessive time was spent in considering the notice and amending the lease.
12. Freemans Solicitors also consider the applicants' valuer's fees to be excessive and propose a charge of £750 plus VAT.
13. In summary the costs in dispute are as follows:
- The applicants claim legal fees of £1,750, valuer fees of £1,494.45, Land Registry fees of £30.00 plus courier fees of £3.50. The total claimed by the applicants with VAT is £3,927.54.
  - The respondents propose that reasonable legal fees are £636.70, valuer fees of £750 and accept the Land Registry fees and courier fees are reasonable. The total sum with VAT proposed by the respondents is £1,698.24.

### **The Tribunal's Determination**

14. The applicant has provided a detailed schedule of the work undertaken in responding to the notice. The submission explains how Wallace LLP has acted for the applicant for many years. The basis of the fees charged by the solicitors to their client is by reference to the time spent by the

relevant fee earners. The solicitors are based in Central London. A partner in the property litigation department conducted most of the work and charged £420 per hour.

15. We accept that the applicant was entitled to instruct Wallace LLP and that the rates charged are consistent with the usual charge out rates for solicitors in Central London.
16. The respondent disputes that there was a need to carry out all the work that is shown on the schedule. The respondent also claims that the fees charged by the applicants' solicitors are excessive, the seniority of the partner allocated is unreasonable and the time allocated to the matters was excessive.
17. After review of the schedule the work shown is considered appropriate for this complexity of application. It is also determined that the complexity of the tasks required a high skill level commensurate with a senior partner.
18. The respondent disputes the sum charged by the valuer for the assignment. A review of the valuer's schedule reveals an hourly charge rate of £300 per hour. It is considered that elements of the work particularly the research of comparables and analysis carried out by the senior surveyor at this rate could have been undertaken by a more junior member of staff chargeable at a lower hourly rate. For this reason based upon their experience and knowledge of typical charges for this type of work the Tribunal determines that a reasonable overall hourly rate is £225. The application of this revised hourly rate to the submitted schedule produces valuer's charges of £1,123.20 plus VAT but inclusive of £9.45 disbursements.
19. We understand that the respondent does not dispute the disbursements.

**Name: Ian B Holdsworth**

**Date**

**19 September 2016**

## Appendix

### Leasehold Reform, Housing and Urban Development Act 1993

#### Section 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.