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

Case reference : **LON/00AF/OC9/2017/0319**

Property : **Flat 6, Highwood. 61 Shortlands
Road, Bromley BR2 0JJ**

Applicant : **Mr. L R Moorby**

Representative : **Howell Jones Solicitors**

Respondent : **Ms Catherine Hinshelwood**

Representative : **Philip Ross Solicitors**

Type of application : **Costs**

Tribunal member : **Judge Tagliavini**

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

Date of Decision : **12 March 2018**

DECISION

(v) Valuation report.....£525.00

(vi) VAT on 4(ii)(iii)(iv) and (v) items above.....£310.20

Grand total.....£1,861.00

5. The Respondent asserted that the Applicant had generally failed in its documents, to specify in sufficient detail the time spent by the Grade A fee earner on various tasks and that in any event, an unreasonably long period had been spent on tasks that were uncomplicated and straightforward. Further, the Respondent asserted that as two almost identical transactions had been ongoing at the same time, there should be a discount applied to reflect this.

The tribunal's decision and reasons

6. Section 60 of the Act states:

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.*

7. The tribunal finds that the time spent on items set out in paragraph 3(i) and (ii) above are sufficiently identified and allows these sums in full. The tribunal does not find that the time of 2.1 hours spent on the documents, (considering Notice and entitlement to a new lease, title, surveyor's report, drafting), to be inordinately long or excessive.

8. However, the tribunal accepts the arguments of the Respondent in respect of item 3(v) and finds that there is insufficient detail provided as to the time spent on items that are properly recoverable under section 60 of the Act. Therefore, the tribunal prefers to adopt the Respondent's figure of £450 (plus VAT) for this item. However, in this instance the tribunal does not accept that a discount should be made for the fact that two almost identical transactions were ongoing at the same time. The tribunal notes that the Respondent does not point to any particular duplication other than the valuation reports in which it said the "two" properties were valued on the same day.

9. The tribunal finds the cost of the valuation report to be in the region of what is considered reasonable and notes the handwritten time sheet provided by the valuer to support them. The tribunal also notes that Mr. L'Estrange does not purport to claim VAT and there is no indication from his invoice that he is VAT registered.

10. Therefore, the tribunal allows the following costs:

- (i) Letters and telephone correspondence.....£216.00
- (ii) Work done on documents.....£504.00
- (iii) Terms of lease/completion/conveyance.....£450.00
- (iv) VAT @ 20%.....£234.00

Total.....£1,404.00

(v)Valuation report (no VAT charged).....£750.00

Grand total.....£2,154.00

11. In conclusion, the tribunal finds the overall costs incurred by the Applicant landlord to be reasonable and modest in their total. The tribunal finds it surprising therefore, that they could not have been agreed between the parties, without the need for the tribunal's determination.

Signed: Judge Tagliavini

Dated: 12 March 2018