



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

Case Reference : LON/00BE/OC9/2018/0076

Property : 28 Sadler's Court, 30a Wild Rents,
London SE1 4BP

Applicants : Grahame Donal Crisp Seaman
Permjit Singh Sulh

Representative : Thackray Williams LLP

Respondent : Emmanuel Protopapas

Representative : TLT Solicitors LLP

Type of Application : Costs under Section 60 of the Leasehold
Reform and Urban Development Act
1993

Tribunal : Judge Daley
Mrs S Redmond MRICS

Date of Decision : 25 April 2018

DECISION

The Tribunal has determined that the Respondent may recover from the Applicant their costs in the sum of £760.00 plus VAT (total of £912), under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993.

Reasons for Decision

1. On 7 April 2017 the Respondent served notice under Section 42 of the Leasehold Reform and Urban Development Act 1993 ("the 1993 Act") for the grant of a new lease. The claim notice specified that the Applicant/landlord must respond by 14 June 2017 by serving a counter notice. No response was received and on 16 August 2017, the Respondent's solicitor sent a copy of the proposed lease extension deed to the applicant's for approval. No response was received, a further letter was sent by the respondent's solicitor on 2 November 2017. Following this letter solicitors Thackray Williams instructed by the Applicant

wrote to the Respondent's solicitor on 22 November 2017. The solicitors entered into correspondence concerning the terms of the grant of a new lease, however as no application was made to the county court within time limit of 6 months from the deemed date for service of the counter notice, the application was deemed to have been withdrawn.

2. Both parties agree that costs are payable under section 60 of the Act, however they were unable to agree the cost to be paid and on 15 February 2018, the Applicant's solicitor made an application for costs to the First tier Property Tribunal. Directions were given on 27 February 2018 and this matter was set down for a paper determination.
3. The costs claimed were in the sum of £1060.00 plus VAT (total costs of £1272.00). On the basis of 65 units of work (1 unit being 6 minutes) at an hourly rate of £200 per hour. The Applicant's solicitor gave a discount of £240.00 on the basis that they were undertaking work for a "long standing client".
4. The Respondent's solicitor TLT LLP, in their statement of case object to this sum and contend that the recoverable costs in this matter should be limited to £340.00 plus VAT. The Respondent's solicitor provided detailed objections to the costs schedule. The Tribunal has considered these objections together with the Applicant's solicitors' response and has made the decision that the sum payable is £760.00 plus VAT.
5. In making its decision the Tribunal has adopted the headings in paragraph 14 of the Respondent's Statement of Case.
6. The Tribunal accept that the full costs of obtaining and reviewing the title and plan, accepted by the Respondent in the sum of 3 units is payable.
7. The Tribunal also accepts that it was reasonable to consider the correspondence set out under, 14.2 of the Respondent's Statement of Case and finds that the 2 units of time are reasonable and payable.
8. The Tribunal also notes that no objection was made to the costs of considering the initial notice (6 units).
9. The Tribunal finds that it was reasonable to read and consider the original lease, however as no counter notice was to be served the Tribunal limits the sum claimed to 3 units for this work to be undertaken.
10. The Tribunal accepts that the time take to consider the draft lease of 8 units was disproportionate in the circumstances and accepts the respondent's submission that the proper time that should be allowed for this work is 5 units. The Tribunal also accepts the Respondent's submission in respect of the time taken to report to the client on the new lease, and accordingly allows 3 units for this work.
11. The Tribunal noted the background to this matter in which the notice of claim was deemed to have been withdrawn, and accordingly accepts that the time

taken to review, prepare for completion is not reasonable and the time of 7 units is therefore disallowed.

12. The Tribunal considers under paragraph 14.8 that it was necessary for the Applicant's solicitor to correspond with their client however given the limited nature of this matter the time of 12 units is excessive, the Tribunal accordingly allows 6 units for this head of costs.
13. The Tribunal also accepts that correspondence between the two solicitors was usual and is a reasonable head of expense under section 60 of the 1993 Act. It also notes that the Respondent's solicitor makes objection on the grounds that this head of cost, was not incurred under Section 60. However the Tribunal considers that given the limited issues in this matter the unit time allowed should be no more than 10 units.
14. The Tribunal therefore determines that the costs payable under Section 60 of the 1993 Act should be in the sum of £760.00.

Name: Judge Daley

Date: 25 April 2018

ANNEX - RIGHTS OF APPEAL

1. 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.
2. 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.
3. 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.

Appendix of relevant legislation

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.