



Residential  
Property  
TRIBUNAL SERVICE

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE**  
**LEASEHOLD VALUATION TRIBUNAL for the**  
**LONDON RENT ASSESSMENT PANEL**  
**LEASEHOLD REFORM, HOUSING AND URBAN DEVELOPMENT ACT 1993**

**LON/00AZ/OC9/2009/0017**

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**Premises:** 18 Bishopsthorpe Road  
London SE26 4NY

**Applicant:** 18 Bishopsthorpe Road Ltd

**Represented by:** Amphlett Lissmore

**Respondent:** Honeyglen (Southeast) Ltd

**Represented by:** Woodfords

**Tribunal:** Mr NK Nicol  
Mr D Edge FRICS

**Date of Decision:** 21/04/09

## REASONS FOR DETERMINATION

1. The Applicant is the Nominee Purchaser for the collective enfranchisement of the subject property at 18 Bishopsthorpe Road, London SE26 4NY. The Applicant has applied for a determination of the fees payable to the freeholder Respondent under s.33 of the Leasehold Reform, Housing and Urban Development Act 1993, the relevant parts of which read as follows:-

(1) Where a notice is given under section 13, then (...) the nominee purchaser shall be liable, to the extent that they have been incurred in pursuance of the notice by the Reversioner or by any other relevant landlord, for the reasonable costs of and incidental to any of the following matters, namely—

(a) Any investigation reasonably undertaken—

(i) of the question whether any interest in the specified premises or other property is liable to acquisition in pursuance of the initial notice, or

(ii) of any other question arising out of that notice;

(b) deducing, evidencing and verifying the title to any such interest;

(c) making out and furnishing such abstracts and copies as the nominee purchaser may require;

(d) any valuation of any interest in the specified premises or other property;

(e) any conveyance of any such interest; ...

(2) For the purposes of subsection (1) any costs incurred by the Reversioner or any other relevant landlord 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.

2. The completion statement provided by the Respondent for the acquisition of the freehold contained the following items to which the Applicant objected:-

(a) Solicitor's fee of £2,269.50

- (b) Surveyor's fee of £2,760
  - (c) Solicitor's fee of £584.87
  - (d) Management charge of £855
  - (e) Solicitor's fee of £121.90
  - (f) Management charge of £405
3. The Respondent has maintained that all these sums are lawfully due but has correctly conceded that the last four are not relevant to a determination of what is due in accordance with s.33. Therefore, the Tribunal has only considered the first two items as relevant to this determination.
4. The subject property contains four leasehold flats. The original section 13 notice proposed a purchase price of £27,000, the counter-notice proposed £48,000 and the parties settled on a premium of £37,000. The collective enfranchisement of this property would appear to contain no unusual elements or other factors which could raise the costs above the norm. Further, costs should always be proportionate to the issues and the sums of money involved. Therefore, the Tribunal would expect the costs incurred in this case to be relatively low if they are to be regarded as reasonable within the meaning of the statute.
5. There was some delay but the Respondent's solicitors eventually purported to provide a breakdown of their costs by letter dated 27<sup>th</sup> March 2009. There are a number of issues arising from the information provided:-
- (a) The fee earner was a three-year qualified Grade C solicitor. His time was charged out at £165 per hour. The Tribunal agrees with the Applicant's assertion that this is on the high side for someone of that level of qualification but that does not mean it is outside a reasonable range. More relevantly, any client would expect a solicitor charging a fee that high to be able to deal with the apparently straightforward nature of this case in a speedy and expeditious way.
  - (b) It was difficult for the Tribunal to analyse the solicitors' costs in detail because the breakdown was only partial.
  - (c) The Tribunal could not see how the first two items, namely attendances on the client and the client's agent for service charge matters, would fall within s.33.

- (d) The Tribunal was also not confident that all the other attendances could be ascribed to matters relevant to s.33, given the amount of time involved.
  - (e) The other categories would appear to fall within s.33, namely work done on documents, general conveyancing costs and disbursements.
6. In the circumstances, the Tribunal took a broad-brush approach and determined that a reasonable solicitor's fee for this matter would be £1,400 plus VAT.
7. The Respondent's surveyor, Michael Clein JP FRICS FIABCI of Acland and Lensam Property Consultants, purported to provide a breakdown of his costs by letter dated 18<sup>th</sup> March 2009. Again, there were a number of issues arising:-
- (a) He said what his normal charging rate was but, having expressly stated that that was not what he charged here, did not say what rate he actually charged.
  - (b) He claimed it took him two hours to read the documents and extract the necessary information. This would be reasonable if he read all the documents from beginning to end but, in order to produce a valuation in a standard case such as this one, he has no need to do that. For example, the lease in this case is unusually long but it is standard across the four flats and the valuer would only need the address, the ground rent, the lease length and the commencement date.
  - (c) He visited the property and appears to have charged for his travelling time. The Applicant should not be liable for the fact that the Respondent chose to instruct someone local to their solicitors rather than someone local to the subject property.
  - (d) Moreover, he visited four local agents. If he were local, with local knowledge, it is unlikely he would need to do that. It is also difficult to see how unannounced visits to local agents' offices would be as effective or as cheap as information searches conducted by internet, phone and e-mail.
  - (e) In the circumstances, the Tribunal cannot accept that it was reasonable to charge for six hours for Mr Clein's journey to the locality of the subject property.
  - (f) He then claimed six hours for responding to "various matters" after having provided his valuation. This is insufficiently broken down, particularly as it would seem to be an excessive amount of time to claim.

8. In the circumstances, the Tribunal again took a broad-brush approach and determined that a reasonable surveyor's fee for this matter would be £1,200 plus VAT.
9. The Tribunal therefore determined that the costs payable by the Applicant to the Respondent in accordance with s.33 of the Leasehold Reform, Housing and Urban Development Act 1993 are £2,600 plus VAT in total.

Chairman.....

Date 21<sup>st</sup> April 2009