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LONDON RENT ASSESSMENT PANEL

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL

ON AN APPLICATION UNDER SECTION 33 OF THE LEASHEOLD REFORM,  
HOUSING AND URBAN DEVELOPMENT ACT 1993

Case Reference: LON/00BH/0C9/2012/0075

Premises: 89 and 91 Kettlebaston Road, London E10 7PE

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Applicant(s): Daejan Properties Ltd

Representative: Wallace LLP

Respondent(s): Arshad Ahmad Shahed

Representative: Romain Coleman

Date of decision: 14<sup>th</sup> November 2012

Leasehold Valuation  
Tribunal:

Mr Adrian Jack and Mr Luis Jarero BSc FRICS

## Determination

1. By an application to the Tribunal dated 14<sup>th</sup> September 2012 the landlord applied for determination of the tenant's liability to pay costs incurred in relation to an application for a lease extension. The costs claimed were valuation fees in the sum of £1,125.00, solicitor's costs of £1,839.00 and courier's fees of £19.92. In each case VAT at 20 per cent needed to be added..
2. The Tribunal gave directions on 27<sup>th</sup> September 2012. These were substantially complied with by the parties. The parties agreed that the matter be determined on paper and there was no request for an oral hearing.

## The issues and determination

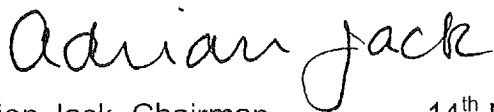
3. The tenant raises no issue on the valuation fee, so we allow this in full. Likewise no issue as to the courier's charges arises.
4. In relation to the solicitors' costs, the points raised by the tenant are: (a) the hourly rate of the solicitor and his paralegal; (b) the time taken to consider the initial notice of one hour; and (c) the time taken to draft the counter-notice. A point based on one hour being charged at the solicitor's rate when the work was done by a paralegal has gone: the work was in fact done by the solicitor, the error was in the break-down of time.
5. As to the hourly rate of the solicitor, it is well established that a landlord need not seek out the cheapest solicitor. £360 for a partner in a West End firm dealing with a specialised area such as leasehold enfranchisement is reasonable and we disallow nothing.
6. No special justification for the paralegal's hourly rate of £150 was advanced by Wallace LLP. In our judgment, a paralegal should only be charged at the rate of a trainee solicitor, unless there are special circumstances, such as special skills on the part of the paralegal. In the absence of an explanation we allow £120 per hour for him.
7. One hour for consideration of the initial notice is in our judgment reasonable. There are, as Wallace LLP explain in paragraph 16 of their submissions, quite a number of matters which a conscientious solicitor needs to check.
8. The position is different in relation to the counter-notice. The one and half hours claims is said to relate solely to the drafting of the counter-notice. One hour was spent drafting and half an hour revising the draft after receiving the client's comments. The Tribunal does not seek to downplay the importance of the drafting of the counter-notice. It is an important document. Mistakes

made in its drafting can be catastrophic. There is rarely any opportunity to put mistakes right, once a faulty counter-notice is served. Nonetheless it has to be said that the counter-claim is a short document on a statutory form. The actual editorial work of the solicitor is limited. In our judgment 42 minutes to settle the counter-notice and 18 minutes to revise it should be sufficient for a specialised solicitor as was doing the work in this case.

9. The paralegal did 0.5 hours work. Reducing his total cost from £75 to £60 produces a reduction of £15. Reducing the partner's billings by half an hour results in a reduction of £180. In each case VAT needs to be added, so that the total reduction is £195 plus £39.00 VAT, or £234.00. Taking this off the total costs of £3,636.70 gives a total due of £3,402.70.

#### DETERMINATION

**The Tribunal accordingly determines that the costs payable by the respondent tenant to the applicant are £3,402.70.**



Adrian Jack, Chairman

14<sup>th</sup> November 2012