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LEASEHOLD VALUATION TRIBUNAL FOR THE LONDON RENT  
ASSESSMENT PANEL

DECISION OF THE LEASEHOLD VALUATION TRIBUNAL UNDER  
SCHEDULE 11 OF THE COMMONHOLD AND LEASEHOLD REFORM  
ACT 2002, PARAGRAPH 5

CASE NUMBER: LON/00BK/LAC/2013/0008

PROPERTY: FLATS 3 AND 8 BEAUMONT COURT, 38-40  
BEAUMONT STREET, LONDON W1G 6DJ

APPLICANT: MICHAEL GRICE DEVELOPMENTS LIMITED

RESPONDENTS: (1) MR ZULFIKAR REMTULLA JETHA  
(2) MRS SHELINA ZULFIKAR JETHA

TRIBUNAL: MISS A SEIFERT (CHAIRMAN)  
MR T N JOHNSON FRICS

DATE OF DETERMINATION: PAPER DETERMINATION 15<sup>TH</sup> MAY 2013



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Leasehold Valuation Tribunal for the London Rent Assessment Panel

Decision of the Tribunal under Schedule 11 of the Commonhold and Leasehold Reform Act 2002

Case No: LON/00BK/LAC/2013/0008

Property: Flats 3 and 8 Beaumont Court, 38-40 Beaumont Street, London W1G 6DJ

Background and the nature of the application

1. Michael Grice Developments Ltd ("the applicant") is the leaseholder of flats 3 and 8, Beaumont Court, 38-40 Beaumont Street, London W1G 6DJ. The respondents to the application are the headlessees and the applicant's landlords, Mr Zulfikar Remtulla Jetha and Mrs Shelina Zulfikar Jetha ("the respondents").
2. The applicant applied to the Tribunal by an application dated 19<sup>th</sup> March 2013, for a determination as to the liability to pay and reasonableness of variable administration charges in respect of flats 3 and 8, namely legal costs of £1,200 per flat and architect's fees of £350 per flat. The tenant claimed that the charges were not payable because the landlord has not served summaries of rights and obligations in the prescribed form. However, the respondents have now served the summary of rights and obligations. The remaining issue is therefore whether, and if so, to what extent, the legal costs and architect's fees claimed are excessive.
3. Directions were issued by the Tribunal dated 22<sup>nd</sup> March 2013. Both parties indicated that they were content for this application to be determined on the papers and the Tribunal has proceeded on that basis.
4. Amongst other documents, the Tribunal was provided with a statement of costs by the respondents dated 12<sup>th</sup> April 2013 and the applicant's answer thereto.
5. A letter dated 20<sup>th</sup> July 2011 was sent to respondents by the applicant indicating various works that were being proposed to the two flats. On

17<sup>th</sup> October 2011, the respondents' solicitors wrote to the applicant referring to "unauthorised alterations" and stating that written consent of the landlord had not been given as required under the leases.

6. Subsequently, separate licences for alterations for each of flats 3 and 8, dated 7<sup>th</sup> June 2012 were granted. The respondents had instructed a chartered architect to provide advice on the alterations. The applicant was subsequently charged £1,200 per flat in respect of legal costs, and £350 architect's fees, again in respect of each of the two flats. It is the challenge to the reasonableness of these costs and fees that have resulted in the application to the Tribunal.

7. Each of the licences contained a covenant by the tenant:

*5.5 To pay to the Landlord within 14 days of demand and to fully indemnify the Landlord against all reasonable and proper costs charges fees and disbursements and expenses (including those of professional advisers and agents and including in each case any VAT) reasonably and properly incurred by the Landlord in connection with this licence or the Works including (without limitation) those arising from the consideration of the application for the consideration and Approval of Consents and the Plans and any other plans and specifications submitted to the Landlord from the supervision of any Works and from the obtaining where requisite of the consent or approval of or information reasonably and properly incurred.*

8. Two invoices have been produced to support the charges. These were for legal costs of Maxwell Winward LLP, solicitors, contained in an invoice dated 31<sup>st</sup> January 2012 addressed to the respondents for the sum of £2,400 (£1,200 per flat), and an invoice dated 27<sup>th</sup> February 2012 from David L Roberts, chartered architect for the total sum of £700 (£350 per flat). In his invoice Mr Roberts described his fee claim as relating to "To receive plans and details and carry out visit to the property. Advise respondents on the preparation of the licence". The Tribunal was informed that the charges have been paid by the applicant on completion of the grant of the licences. The respondents' solicitors have stated that the applicant did not assert at that time that the charges were unreasonable administration charges.

9. The statement of costs dated 12<sup>th</sup> April 2013 prepared by Maxwell Winward LLP addressed both legal costs and architects (referred to as surveyor's) fees. This gave in respect of the solicitor's fees, the fee earner's hourly rate and a detailed account of time spent.

### Architect's fees

10. In the statement of costs it is submitted that Mr Roberts usually charges a fixed charge of £450. However, in this particular instance, his fixed fee was reduced to £350 per flat. Details were provided of the items making up the charge of £350 per flat. The breakdown was:

*Travelling to and from each flat on two occasions and carrying out inspections, considering details of the works provided by the Applicant, advising the Respondent and Maxwell Winward LLP in relation to the works to enable the retrospective Licences to be prepared.*

11. It was submitted in the applicant's answer that the Mr Robert's had charged £700 for making very brief visits to flats 3 and 8. The applicant suggested that the proper sum payable in respect of Mr Robert's charges was £200 (VAT not applicable).
12. It is not in dispute that Mr Roberts visited the flats on two occasions and carried out inspections. It is also not in dispute that he gave advice to the respondents and their solicitors in respect of the licences. However the applicant contends that these were brief visits and that the fee should be reduced £200 (£100 per flat).
13. The Tribunal carefully considered the evidence, and having regard to its own knowledge and experience, considered that a reasonable fee would be £500 (VAT not applicable). For the avoidance of doubt this is the total fee for the architect's work in respect of both flats.

### Legal costs

14. The Tribunal carefully considered the charging rates and noted that the applicant has suggested that the total fee payable to the solicitors in respect to works to each flat should be reduced to £250 plus VAT per flat.
15. The evidence suggests that the licences were very similar and that there would have been a saving of time in respect of the second licence. In respect of the time spent, stated on the statement of costs, the Tribunal notes this is a summary of minutes spent over periods of time extending up to a month. Considering the fee claim overall, the Tribunal, using its knowledge and experience, and taking into account that the licences were reasonably straight forward and in very similar terms, finds that a reasonable fee for the first licence would be £1,200 plus VAT and £600

plus VAT for the second licence, making a total fee payable of £1,800 plus VAT.

Summary of decision

- (1) Legal costs payable by the applicant to the respondent shall be limited to in total £1,800 (plus VAT).
- (2) Architect's fees limited to in total £500 (VAT not applicable)

Chairman: A Seifert



Date: 15<sup>th</sup> May 2013

Members of the Leasehold Valuation Tribunal:

Miss A Seifert

Mr T Johnson FRICS