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

Case Reference : LON/00BH/OC9/2016/0151

Property : 140 Blyth Road, London E17 8HT

Applicants : Jessica Jane Warnes
Rory Nicholas Lean

Representative : Nelsons

Respondent : Geoffrey John Chapman

Representative : Cavendish Legal Group

Type of Application : Costs on extension of lease

Tribunal : Judge Nicol

Date of Decision : 21st June 2016

DECISION

Decision of the Tribunal

The Tribunal has determined that the Respondent may recover from the Applicants their legal fees of £2,025 plus VAT, disbursements of £24 and valuer's fees of £1,020 under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993.

Reasons for Decision

1. The Applicants applied following their request for a new lease for a determination as to the legal fees recoverable by the Respondent in

accordance with section 60 of the Leasehold Reform, Housing and Urban Development Act 1993 which is set out in the Appendix to this decision.

2. The Respondent claims:
 - a) The fees of their solicitors in the sum of £2,025 plus VAT;
 - b) £24 for office copy entries; and
 - c) The fee of their valuer of £1,020 inclusive of VAT.
3. The Applicants' solicitors have made detailed objections to the fees claimed but one particular allegation on which many of them rest was that the counter-notice was served on the wrong address. The existing lease and the benefit of the notice for an extended lease were assigned to the Applicants. In anticipation of completion of the assignment, the Applicants' solicitors had been named as the address for service in the initial notice. However, the Respondent's solicitors did not receive confirmation of the assignment by way of sight of the deed until much later. They had been dealing with the assignor's solicitors, Cartwright Cunningham Haselgrove & Co, and served the counter-notice on them.
4. In the circumstances, namely delayed confirmation of the assignment, the Respondent's solicitors did not act unreasonably in continuing to deal with the assignor's solicitors. Even if that were not correct, there is no evidence that the error in not using the specified address for service led to an increase in costs. Although the Applicants' solicitors speculate in their submissions that there might have been letters dealing exclusively with the issue, the Tribunal has seen none, including between the parties, nor has any reason to think the issue would have been given that degree of prominence by the Respondent's solicitors.
5. The Respondent's solicitors have charged £25 for procuring office copy entries. It is entirely appropriate that they obtain their own copy rather than relying on documents supplied on behalf of the Applicants and this is the minimum charge for the time required to obtain them.
6. The Applicants' solicitors challenge whether as many letters as have been claimed were received or sent. However, they clearly do not know how many letters were received from or sent to the assignor's solicitors in relation to the lease extension. There is no reason to think that the Respondent's solicitors are claiming fraudulently and there is no allegation that letters have been wrongly allocated.
7. The Applicants' solicitors object that the valuer's report was obtained after the counter-notice to which the valuer's input was only verbal. The Tribunal does not understand this submission. The valuer's work was no less valuable, nor would have required less time, by being carried out later than it could have been. There is a suggestion that such delay

contributed to delay overall but there is no allegation that any delay itself resulted in higher costs.

8. The Applicants' solicitors object that the Respondent's solicitors did not request deduction of title and that, if they had, it would have simplified matters. The Tribunal cannot identify any increase in costs which could be attributed to this issue.
9. The Applicants' solicitors object to half an hour having been spent on considering the deed of assignment, 2½ hours on preparing the draft deed of surrender and re-grant and half an hour on preparing the completion statement. While the Tribunal agrees that this kind of work may be done more quickly in some cases, the objection is trivial. It is clear that the time spent is within the range of what is reasonable (as defined in section 60(2)), albeit towards the lengthier end.
10. In the circumstances, the Tribunal rejects the Applicants' objections to the Respondent's costs and allows them in full.

Name: NK Nicol

Date: 21st June 2016

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.