



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

Case Reference : **LON/00AW/OC9/2015/0052**

Property : **11 Knightsbridge Court, 9-16 Sloane Street, London SW1X 9LQ**

Applicants : **(1)Aelita Arampova
(2)Dimitrios Tsesmetzoglou**

Representative : **Mr A Sorenson**

Respondents : **(1)Sloane Street Commercial Properties Limited
(2)Knightsbridge Court Management Company Limited**

Representative : **Ms Cattermole of counsel
instructed by Eversheds LLP**

Type of Application : **Application for section 60 costs**

Tribunal Members : **Judge Tagliavini
Miss M Krisko FRICS**

Date and venue of hearing : **10 Alfred Place, London WC1E 7LR
28 October 2015**

Date of Decision : **28 October 2015**

DECISION

- (1) The tribunal determines that the sum of £1781.25 plus VAT @ 20% is payable by the Applicants to the First Respondent in respect of the valuation fees incurred in respect of the application for a lease extension. **Total: £2137.50**
- (2) The tribunal determines that the sum of £2,100 plus VAT at 20% is payable by the Applicants to the First Respondent in respect of the legal costs incurred in respect of the application for a lease extension. **Total: £2520.00.**
- (3) Land registry fees of **£24.00.**

The application

1. The Applicants seek a determination pursuant to s.60 of the Leasehold Reform, Housing and Urban Development Act 1993 ("the 1993 Act") of the costs payable to the First Respondent in connection with the grant of a new lease.

The hearing

2. The Applicants sought an oral hearing of this application and Mr Sorenson appeared for the Applicants and Ms Cattermole of counsel appeared for the First Respondent. Each party provided the tribunal with a lever arch file of documents although these were almost identical in content but varied in their order and numbering.
3. Immediately prior to the hearing the First Respondent handed in further documents, namely a breakdown by the time spent and fee incurred of the legal costs together with a skeleton argument.

The background

4. The property, which is the subject of this application, is a two-bedroom flat in a purpose built block of 62 flats over commercial premises. The property is held on a long lease to which the right to seek a lease extension applies.
5. The tribunal did not consider that an inspection was one was necessary as the application was confined to the issue of costs.

The issues

6. At the start of the hearing the parties identified the relevant issues for determination as follows:

- (i) The valuation and legal costs service charges arising pursuant to section 60 of the 1993 Act.

7. Having heard submissions from the parties and considered all of the documents provided, the tribunal has made determinations on the various issues as follows.

The tribunal's decision

8. The tribunal determines that the amount payable in respect of the valuation fees is £2137.50 (inclusive of VAT).

Reasons for the tribunal's decision

9. The tribunal finds that the number of hours claimed by Mr Kevin Ryan, in respect of the valuation and calculation of the premium for the purposes of the First Respondent's counter-notice are excessive. Mr Ryan did not provide the tribunal with a signed witness statement, nor did he attend the hearing to give oral evidence. Although the hourly rate of £375 was accepted by the Applicants as being properly reflective of Mr Ryan's experience and expertise, the tribunal accepted Mr Sorenson's submissions that the time reasonably spent on preparing a valuation and the calculation of a premium is likely to be significantly less than the 13 hours+ claimed by Mr Ryan.
10. Therefore, the tribunal determined that a total of 4 hours 45 minutes at the rate of £375 per hours is appropriate in the circumstances of this application. The tribunal finds that there is nothing unusual about the subject property that would require a greater than average time spent on its valuation and in light of Mr Ryan's experience and expertise reflected in his hourly rate would expect him to be able to carry out the necessary investigations and preparation of his valuation without any significant difficulty.

The tribunal's decision

11. The tribunal determines that the amount payable in respect of legal costs (including the estimated costs until completion) is 2520 plus VAT.

Reasons for the tribunal's decision

12. The tribunal finds that the hourly rate charged is excessive for all parts of the work involved in this applicant for a lease extension. Therefore the tribunal reduces the hourly rate in order to more properly reflect its view that at least some of the work could have been carried out by

administrative staff or a less experienced employee. Consequently, the tribunal determines that an hourly rate of £300 is appropriate in the circumstances.

13. The tribunal also finds that the entries in the schedule of legal costs for time spent by the First Respondent's legal advisors, indicates that there are duplications of time spent in respect of the drafting of a new lease, the requirement to chase for access and duplication of the need to check the lease for eligibility under the notice. The tribunal finds that the new lease required few changes or amendments, there was no need to send chasing emails in respect of access as this was made readily available and the eligibility requirements would have been checked at an early stage.
14. Therefore the tribunal allows a total time for the legal costs incurred up to 25 July 2015 of 6 hours at a rate of £300 per hour i.e. £1,800 plus VAT @ 20%. Land registry fees to £24 are also allowed and have not been contested. In respect of the estimated legal costs for the completion of the lease, the tribunal allows a further 1 hour at the rate of £300 plus VAT to properly allow reasonable time for all further formalities required.

Signed: Judge Tagliavini

Dated: 28 October 2015