



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

**Case Reference** : **OT/LON/OOAF/OC9/2015/0308**

**Property** : **37c Croydon Road, London SE20  
7TJ**

**Applicant** : **Omolulu Goodluck**

**Representative** : **Alfred James & Co Solicitors LLP**

**Respondent** : **Grahame Donald Crisp Seaman (1)  
Brenda Margaret Seaman (2)**

**Representative** : **Thackray Williams**

**Type of Application** : **Assessment of costs under section  
60(1) of the Leasehold Reform  
Housing and Urban Development  
Act 1993**

**Tribunal members** : **Sonya O'Sullivan**

**Date of Decision** : **16 September 2015**

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**DECISION**

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## **The background**

1. The Applicant is the long leaseholder of 37c Croydon Road, London SE20 7TJ.
2. The Respondent is freeholder of the building and the competent landlord for the purposes of the Leasehold Reform, Housing and Urban Development Act 1992 (the "1993 Act").
3. The leaseholder served a section 42 notice seeking to exercise his right to a lease extension under S48 of the 1993 Act and a Counter notice was served which admitted the right but did not agree the proposed premium.

## **The application**

4. By an application dated 26 June 2015 the leaseholder has now applied for an assessment of the landlord's costs under section 60(1) of the 1993 Act.
5. Directions were issued dated 16 July 2015. Further to those directions a bundle was lodged containing the Respondent's costs schedule and submissions made on behalf of both parties.
6. Neither party having requested an oral hearing, the application was considered by way of a paper determination on 16 September 2015.

## **The Legal costs**

7. Legal costs are in issue in the sum of £1900 plus Vat.
8. The work was confirmed to have been carried out by members of the enfranchisement department which it is said is recognised to be niche and complex work. It is also submitted for the Respondent that the hourly rates are reasonable for the seniority of the fee earners and nature of the work.
9. The Respondent points out that out that the fees incurred in fact stood at £2015 plus Vat and a lower figure has been requested. In addition as this matter is ongoing there will be further costs to be incurred in completing this matter. As this matter has yet to be billed the Respondent is unable to produce an invoice. Confirmation has been provided in the Respondent's reply that Thrackray Williams LLP will not claim costs from the Applicant in excess of what will be charged to their client.

10. The Respondent also relies on ample comparison fees paid in transactions which were completed in 2015 to submit that the fees are reasonable.
11. The Respondent has submitted a cost schedule. This sets out the time spent on various categories of work described as letters/emails written, letters/emails received, telephone calls, preparation and drafting and supervision.
12. The charging rates applied throughout were Grade B solicitor at £205 per hour, a trainee solicitor at Grade D at £150 per hour and a partner at Grade A at £230 per hour.

### **Rate**

13. The rates do not appear to be challenged by the Applicant.

### **Time spent**

14. The schedule of costs is basic and does not attempt to provide any real narrative as to the work done save for grouping the time spent under broad categories.
15. The time spent is challenged by the Applicant who says that the case was relatively straightforward with no dispute to the Applicant's entitlement to a new lease. The Applicant contends that any experienced solicitor would expect to take no more than 90 minutes to establish whether the claim was valid, to review the initial notice served and to draft and serve a counter notice.
16. The Applicant suggests a provision of 30 minutes is sufficient to allow for the time spent in instructing a surveyor to prepare a valuation report as this is not a complicated task. It is pointed out that the Respondent's solicitors have not specified time spent on this matter.
17. The new lease is said to have been standard form and based presumably on a template and there were hardly any issues on agreeing the draft. The only initial amendment suggested was a correction of the names entered on the draft which were incorrect. 2 hours of time is suggested for conveyancing.
18. In total the Applicant submits that a total of 5 hours should be allowed at an average rate of £200 plus Vat per hour.
19. In reply the Respondent says that the preparation and drafting time equals almost 4 hours which is submitted to be reasonable. Only 4 items are claimed in respect of time instructing the surveyor. It is

confirmed that all of the example section 60 costs cases relied on save one were settlements and are included to be illustrative. .

### **The tribunal's decision**

20. The provisions of section 60 are well known to the parties and the tribunal does not propose to set the legislation out in full. However costs under that section are limited to the recovery of reasonable costs of an incidental to any of the following matters, namely:-
- i. Any investigation reasonably undertaken of the tenant's right to a new lease;
  - ii. Any valuation of the tenant's flat obtained for the purpose of fixing the premium or amount payable by virtue of Schedule 13 in connection with the grant of a new lease under section 56
  - iii. The grant of a new lease under that section.
21. Subsection 2 of section 60 provides that *"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"*.
22. The tribunal faced some difficulty given the very basic form of costs schedule produced, no information was provided as to the time spent on the different elements of the transaction, by way of example details of time spent on the counter notice, time spent on the lease, time spent considering the claim notice and the right to a new lease and so on would have been extremely useful to the tribunal.
23. Although the rates do not appear to be in issue the tribunal considers in any event that the rate charged by the fee earners falls within the range generally adopted by the tribunal in cases of this kind.
24. The Applicant argues generally that the time spent is excessive. The view of the tribunal having taken all the matters set out in the parties' statements into account and having regard to the breakdown provided is that the time spent appears to be excessive for what was a straightforward case.
25. It considers that just less than 4 hours of drafting time is wholly excessive for the drafting of a counter notice and preparation of a new lease. Both parties agree that the matter was straightforward and that the lease was agreed with very few amendments.
26. Both parties rely on transaction evidence to support their positions. However the tribunal found these were not of assistance as they were

settlement evidence. In addition the tribunal has no information as to whether these transactions were straightforward or were more complex. The tribunal decided it could give very little weight to this evidence.

27. The tribunal agreed that reasonable costs under section 60 in this matter should be limited to 5 hours work for such a straightforward transaction to include the costs of completion. It is unable to directly apportion the time allowed due to the broad nature in which the costs schedule has been produced. Accordingly it adopts the Applicant's suggestion that the fee allowed should be an average of the fee earners at £200 plus Vat which it notes is close to the rate of £205 of the main fee earner. The tribunal therefore allows the sum of £100 plus Vat in respect of legal costs.

28. Disbursements in the sum of £3 are allowed.

### **Valuation costs**

29. Confusion appears to have arisen initially as to the amount claimed in respect of valuation costs. In the application form the Applicant confirmed it agreed costs of £360 plus Vat. It has since been confirmed however that valuation costs stand at £600 plus Vat. In the Applicant's statement dated 12 August 2015 at paragraph 9 it was confirmed that if valuation fees were claimed at £600 plus Vat this was considered reasonable. Submissions in reply from the landlord dated 20 August 2015 confirmed that the valuation costs were £600 plus Vat. It appears therefore that valuation costs are agreed and the tribunal makes no further comment in this regard.

**Name:** Sonya O'Sullivan

**Date:** 16 September 2015