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

Case Reference : CHI/00ML/OC9/2015/0041

Property : 17a Sackville Road, Hove, East Sussex
BN3 3WA

Applicant : Lyndale Development Company

Representative : Pemberton Greenish LLP, Solicitors

Respondent : Moaria Alicia Taitt

Representative :

Type of Application : Landlord's costs of lease extension

Tribunal Member(s) : Mr D Banfield FRICS

Date of Decision : 14 April 2016

DECISION

The Tribunal determines that the full claim of £3,296.40 is payable by the Respondent.

Background

1. The Applicant seeks a determination as to the costs payable to the Respondent under Section 60 Leasehold Reform, Housing and Urban Development Act 1993 (the 1993 Act) following an abortive lease extension.
2. The Section 42 claim notice was dated 27 August 2014 and the counter notice admitting the claim was dated 10 November 2014. The usual investigations took place including provision of valuation advice and a draft lease was prepared. Negotiations continued between the parties' solicitors until in June 2015 the section 42 Notice was withdrawn.
3. Following the application to the Tribunal Directions were made on 22 December 2015 setting out a timetable for the disposal of the matter.
4. By an email dated 20 January 2016 the Respondent's solicitors advised that they were no longer instructed.
5. The Applicant's Solicitors advise that they had written to the Respondent regarding her failure to submit a statement setting out points of dispute as required by the Tribunal's Directions.
6. On 14 March 2016 the Tribunal gave notice that in the absence of compliance with the Tribunal's Directions by the Respondent the Tribunal was minded to debar the Respondent from taking further part in the proceedings and would determine the matter on the papers received from the Applicant. Representations were invited within 7 days of the Notice.
7. No representations have been received and the matter is therefore dealt with on the papers received from the Applicant.

The Law

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.

The Claim

8. The costs claimed are:

• Legal cost	£1,792.00
• VAT	£358.40
• Disbursements	£6.00
• Valuation	£950
• VAT on valuation	£190
• Total	£3,296.40

Evidence

9. Time sheets have been provided setting out details of the tasks undertaken by Pemberton Greenish which indicate that the legal costs claimed are for the period from 4 September 2014 up to the withdrawal of the Notice in June 2015. The time spent was 5 hours 36 minutes and the rate charged £320 per hour. The valuation costs were the fees of Carter Jonas for 3 hours at £350 less a £100 discount plus VAT.
10. The Applicant's solicitors confirm that the hourly rates are as agreed with their client and that they compare with other solicitors specialising in leasehold enfranchisement.

Decision

11. The Respondent has chosen not to engage with the process. No evidence of alternative costs has been put forward or any argument as to why the full costs claimed should not be determined by the Tribunal.
12. Despite the lack of any comment from the Respondent the Tribunal has particularly considered whether the costs claimed satisfy the test referred to Section 60(2) of the 1993 Act referred to above. Both Pemberton Greenish and Carter Jonas are specialists in this field of work and the Tribunal has no doubt that the Applicant would have instructed them whether or not their costs were to be borne by the Respondent.
13. The Tribunal therefore determines that the full claim of £3,296.40 is payable by the Respondent.