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

**Case reference** : **NAT/LON/00AC/0C9/2017/0043**

**Property** : **41 Quadrant Close  
The Burroughs, Hendon  
London NW4 3BY**

**Applicant** : **Brickfield Properties Ltd (“the  
Landlord)**

**Representatives** : **Wallace Solicitors LLP**

**Respondent** : **Shuet Ngan Sue-Ann Cheng (“the  
tenant)**

**Representatives** : **Abacus Solicitors LLP**

**Type of application** : **For the determination of the  
Landlords recoverable costs  
incurred in connection with a claim  
for a new Lease**

**Tribunal members** : **Ian B Holdsworth MSc FRICS**

**Date of determination** : **21st April 2017**

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**DECISION**

**The Tribunal has determined that the applicant may recover their legal fees of £2,124 plus VAT, plus Land Registry fees of £54 and courier fees of £35 plus VAT under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993.**

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## **The Application**

1. This is an application by Brickfield Properties Ltd under section 91(2)(d) of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for the determination of recoverable costs which have occurred in pursuance of the tenant's notice of claim to acquire a new Lease under Chapter 2 of part 1 of the Act.
2. Standard directions were issued on 14<sup>th</sup> February 2017. The directions stated that the application was suitable for determination on the basis of written submissions and without an oral hearing but they informed the parties of their right to request an oral hearing. No such request was received and accordingly we have determined the statutory costs on the basis of the written submissions and other documents included in the comprehensive document bundle that was submitted in accordance with the directions.

## **Background**

3. The tenant gave notice of claim under section 42 of the Act on 4 November 2015. The Landlord's counter notice was made on 14 January 2015.
4. The submissions confirm that the terms of acquisition were agreed between the parties on the 9 October 2016 and a preliminary hearing to discuss outstanding matters originally scheduled for the 10 November 2016 was vacated.
5. The respondents had until 8 February 2017 to complete a new Lease within the statutory timetable. Completion failed to take place by this date and, subsequently, the notice was deemed withdrawn pursuant to the provisions of section 53(1)(b) on 8 February 2017.
6. Wallace solicitors LLP acted on behalf of the intermediate Landlord Fairhold Holdings (2006) in this matter. They claim some additional time in satisfying the requirements of this Landlord. This is reflected in the fee submission. A witness statement from the instructing solicitor, Mohammed Bux is included within the bundle.
7. No agreement in respect to Brickfield's statutory legal costs was reached by 10 February 2017 and Brickfield made an application to the First Tier Tribunal in accordance with section 60 of the Act seeking a determination of statutory costs payable.
8. The parties confirm that they have agreed the sums payable for the disbursements and valuation fees. The respondents have also agreed the amount of time devoted to this matter by Wallace Solicitors LLP on behalf of Brickfield and the intermediate Landlord

### **The claimed costs**

9. In response to the Tribunal's directions the landlord provided a schedule of costs suitable of summary assessment. The schedule is detailed and records the time spent in 6 minute units. The work was undertaken by a partner, assistant and paralegal. The partner is a Grade A solicitor whose time is charged at £420 plus VAT per hour. The assistant is charged at a rate of £330 per hour and the paralegal £180 per hour.
10. In summary the costs in dispute are as follows:
  - The applicants claim legal fees of £2,124 plus VAT, Land Registry fees of £54.00 plus courier fees of £35 plus VAT. The total claimed by the applicants with VAT is £2,644.80.
  - The respondents propose that reasonable legal fees are £968 plus VAT, and accept the Land Registry fees and courier fees are reasonable. The total sum with VAT proposed by the respondents is £1,257.60.

### **The Decision**

11. We accept that the applicant was entitled to instruct Wallace LLP and that the rates charged are consistent with the usual charge out rates for solicitors in Central London.
12. The respondent disputes that there was a need to carry out all the work that is shown on the schedule. The respondent also claims that the fees charged by the applicants' solicitors are excessive, the seniority of the partner allocated is unreasonable and the time allocated to the matters was excessive. They also refer to the recent Authority *Sinclair Gardens Investments(Kensington)Ltd v Wisbey (2016)* on solicitor's statutory costs in lease extension.
13. After review of the schedule the work shown is considered appropriate for this complexity of application. It is also determined that the complexity of the tasks required a high skill level commensurate with a senior partner.
14. We understand the respondents do not dispute the disbursements or the time expended on the matter.
15. The tribunal is satisfied that Wallace is liable for VAT. They are content that the charges being recovered are those payable by Brickfield Properties as section 60 costs.

16. The Applicant is not required to agree a fixed fee with a solicitor dealing with a lease extension. The terms of any fee agreement is at their discretion.
17. It is the opinion of the tribunal based upon their experience and knowledge of these matters that the charges are reasonable and reflect the time typically allocated to the necessary and required tasks.
18. Accordingly the Tribunal determines that the applicant may recover their statutory costs of £2,664.80 under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993.

**Name: Ian B Holdsworth**

**Date 21st April 2017**

## Appendix A

### 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.