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Residential
Property
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**LONDON RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

Case Reference LON/00BK/OC9/2009/0087

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN APPLICATION
UNDER S60 LEASEHOLD REFORM HOUSING AND URBAN DEVELOPMENT
ACT 1993**

Applicant: Mr I Morel

Respondent: Metropolitan and City Properties (1)
Inbloom Properties Ltd (2)
Parkchoice Ltd (3)

Premises: Flat 3 26-30 Denbigh St London SW1V 2ER

Date of Application: 24 November 2009

Leasehold Valuation Tribunal: Mrs F J Silverman Dip Fr LLM
Mr J Avery Bsc FRICS

Date of paper determination :10 February 2010

Decision

The Tribunal determines that the total sum payable by the Applicant to the Respondents in respect of the costs of the grant of an extended lease are £ 5030.69 and are payable in the amounts and to the parties detailed below.

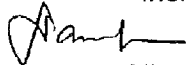
- 1 The Applicant filed an application with the Tribunal on 24 November 2009 asking the Tribunal to determine the amount of costs which he was required to pay on the grant of an extension to his lease. He claimed that the amount of the costs submitted by the first respondent freeholder, the second respondent (intermediate landlord) and the third respondent (head landlord) were excessive.
- 2 Directions were issued by the Tribunal on 3 December 2009 . The first Respondent failed to comply with the Directions but applied late for an extension of time which was granted.
- 3 A breakdown of the first Respondent's solicitor's costs together with those of their surveyor has been submitted to the Tribunal but no documentation has been received from either of the second or third respondents.
- 4 The Tribunal assessed this case as being suitable for a paper determination and in the absence of an objection from any party this took place on 10 February 2010.
- 5 The Tribunal accepts that the Applicant's application for a lease extension had to be fully and properly verified by the freeholder and that the matter was made more complex than the average equivalent transaction by the presence of an intermediate landlord.
- 6 The nature of the work described as having been undertaken by the freeholder's solicitor , and the length of time engaged are consistent with this type of transaction. The freeholder is entitled to choose his own solicitor and chose in this case to instruct a central London firm whose

charging rates are evidently higher than those of a suburban firm , but which are comparable with other comparable central London firms. The Tribunal therefore allows this sum in full (£2279.25 inc VAT).

- 7 In relation to the fees charged by the freeholder's valuer, the Tribunal disallows the items relating to the review of s42 notices and reviewing legal title since these jobs are the responsibility of (and were done by) the freeholder's solicitor.
- 8 The Tribunal also considers that some of the work charged for (eg research into comparables) could and should have been done by an assistant rather than by a principal. The Tribunal therefore allows 1.5 hours at the rate of £200 per hour (£300) (assistant) and 1.5 hours at a charging rate of £350 per hour (£525) (principal) for the freeholder's valuer's fees giving at total including VAT of £969.37.
- 9 Both the intermediate and head landlords used the same solicitor for their legal work. Despite the fact that these parties' interests are separate and distinct, they also share a commonality and the legal work which would have been carried out for each of them would have been very similar. No response has been received from the second or third respondent in relation to the Directions issued by the Tribunal and they have not supplied a breakdown of their solicitors' and valuers' charges nor attempted to justify them.
- 10 On the basis that the second and third respondents did instruct the same solicitor to act for them both and on the basis that the same work would in effect been carried out for both clients the Tribunal reduces the overall solicitors' bill for the second and third respondents totalling £1150 (ex VAT) by one third making the amount chargeable to and payable by the Applicant in respect of this item £766.66 (£900.82 including VAT).
- 11 In relation to the second and third respondent's valuers' fees it appears from the completion statement supplied by the first respondent that there had been some cooperation between the parties in relation to this item in that the second respondent's valuer's fee is only £250 plus VAT and

allows this in full. The third Respondent's valuer's fee of £893.75 including VAT is considered by the Tribunal to be excessive by comparison with the work which had to be done by the first Respondent's valuer and reduces them to £500 plus VAT (£587.50).

- 12 The total figure for costs payable by the Applicant in respect of the costs of all three respondents is determined by the Tribunal as being £5030.69 inclusive of VAT.



Frances Silverman

Chairman

10 February 2010