FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**DD/LON/OOBH/OLR/2015/1835**
Property	:	**40 Bloxhall Road, London E10 7LP**
Applicant	:	**Jonathan Shaw (leaseholder)**
Representatives	:	**Mr C Fain (of counsel) with Mr R Murphy MIRCS (valuer)**
Respondents	:	**Daejan Estates (landlord)**
Representatives	:	**Mr J Fieldsend (of counsel) with Ms G Marriner FRICS (valuer)**
Type of Application	:	**To seek a determination of the premium payable for the grant of a new lease and a determination of the terms of the new lease in an application made under section 48 of the Leasehold Reform, Housing and Urban Development Act 1993 ('the Act')**
Tribunal Members	:	**Judge James Driscoll and Mr Richard Shaw FRICS (Valuer Member)**
Date of Hearing	:	**15 and 16 March 2016**
Date of Decision	:	**3 May, 2016**

© CROWN COPYRIGHT 2016

DECISION

Summary of the decisions

1. The premium to be paid for the grant of a new lease under the Act is the sum of £63,049 (sixty three thousand and forty-nine pounds).

2. The application for an order debarring the applicant from making submissions on the terms of the new lease (by making an application striking out the application on the terms of the new lease under rule 9 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013) is refused.

3. The terms of the new lease (except for rent and term) shall be the same as the terms of the existing lease except that the reference in clause 2(22) to £6 is changed to the figure of £24.

4. An order is made under rule 13 of the 2013 Rules that the applicant to pay the respondent the sum of £288.84 towards their costs and this sum is to be paid by 30 May 2016.

Introduction

5. In this case the tribunal considered an application for the determination of the premium and the terms of a new lease. It was made by the leaseholder. The respondent is his landlord, which holds a head lease with an unexpired term in excess of 900 years. The application was made under section 48 of the Act. The landlord is the 'competent landlord' for the purposes of the claim (as provided for in section 40(4)(b) of the Act).

6. In a notice given under section 42 of the Act on (or about) 1 June 2015, the leaseholder claimed a new lease under the provisions in Part 1, chapter 2 of the Act. He proposed to pay a premium of £32,000. In a counter-notice dated 3 August 2015 the landlord admitted the leaseholder's entitlement to a new lease but proposed a premium of £75,986. It attached a copy of a draft lease which contained terms different to those in the current lease.

7. As the parties failed to agree the premium, or the terms of the new lease, an application was made to the tribunal on 16 November 2015. Standard directions were issued on 4 December 2015

8. A bundle of documents was prepared by the applicant's solicitors as required by the directions. As will be seen those advising the landlord complain that the bundle was filed far later than the date required by the directions.

The hearing

9. The hearing was scheduled for the 15 and 16 March 2016. The leaseholder was represented by Mr Fain of counsel. He was instructed by Thirsk Winterton LLP solicitors though there was no-one from that firm present at the hearing. The leaseholder was advised on valuation by Mr Murphy MIRCS who gave evidence at the hearing.

10. Mr Fieldsend of counsel appeared on behalf of the landlord with Ms Marriner FRICS who has advised on valuation. They are instructed by Wallace LLP solicitors. A member of that firm was present on both days of the hearing. Ms Marriner gave evidence at the hearing.

11. Shortly before hearing started we were handed a typed set of submissions (in the form of a 'skeleton arguments') prepared by Mr Fieldsend. It was in three parts: Part I set out the case for the tribunal to strike out the application seeking a determination of the terms of the new lease; part 2 contained a claim for an order for costs, whilst part 3 contained a statement of the landlord's position on the terms of the new lease. Mr Fain told us that he has only just been instructed and apologised for not having a skeleton argument (though he produced one at the start of day 2 of the hearing).

12. With the agreement of the two counsel we decided that we would first hear the evidence and submissions on the premium to be paid. After this we would consider the landlord's application for an order striking out the leaseholders application for a determination of the terms of the new lease. Depending on our decision on that application we would then hear argument on the disputed terms of the new lease. We would also hear argument on the claim for costs.

The premium

13. Accordingly, we heard argument first on the premium to be paid. On this issue the two valuers had agreed on a number of matters: the valuation date is the 1 June 2015; at this date the unexpired term of the existing lease was 47.6 years; the ground rent was £75 per annum for the remainder of the lease term; the appropriate rate for capitalising the ground rent that the landlord will lose once the new lease is granted should be 7%; the deferment rate for valuing the freehold interest at the end of the term of the unexpired lease should be 5%, the 'relativity of long leaseholder to the freehold reversion should be 99% and the long leasehold unimproved interest is £290,070. They signed a statement of agreed facts and disputed facts to this effect which is dated 22 January 2016.

14. In short, this means that the disagreement over the premium to be paid for the grant of a new lease relates solely to the appropriate 'relativity' to be applied to the current leasehold interest to reversion.

15. It is agreed that the subject property is a first floor flat with one bedroom in a purpose built block of flats.

16. Mr Fain called Mr Murphy MRICS of Richard John Clarke (Chartered Surveyors) to give his evidence. Mr Murphy spoke to his report dated 11 March 2016. He was cross-examined and he answered questions posed by the tribunal.

17. He states that the subject property is part of an estate known as the Clementina estate. In new lease claims for dwellings on the estate there have been several disputes over the relativity to be used. Some of these disputes about dwellings on this estate and properties in the vicinity have resulted in applications to the tribunal for a determination.

18. He referred the tribunal to a recent decision regarding a lease extension at 101 Seymour Road. This is a two-bedroomed flat in the same development as the subject. The unexpired lease was 47.8 years and the relativity determined was 66.48%. He said that he accepted the approach of the tribunal but considered further all the comparables put forward in the hearing and this he said resulted in a relativity of 61.53%. With further research he found two further comparables of short lease sales; at 68 Perth Road and 102 Clementina Road. He adjusted their short lease value to £221,434. He next looked at long lease value. From the 101 Seymour Road decision he took £310,635, the determined long lease value for 2-bedroom flats. He adjusted this to the valuation date (£316,443) and then applied the 1% differential for freehold value. As these are two-bedroom flats he deducted the agreed differential for a one-bedroom flat (£26,373) which resulted in a freehold value of £293,000. This compared to the short lease value is a relativity of 75.6%. He then makes the 5% 'no Act world' allowance to reduce relativity to 70.6%. He then averaged the 61.53% and 70.6% at 66.06%.

19. He went on to look at the RICS published graphs of relativity. He found the average of seven graphs (the five Greater London plus the College of Estate Management and The Leasehold Advisory Service) for this lease length to be 75.15% (under cross examination he accepted that he had used the wrong relativity from the SE Leasehold graph and that it should be lower).

20. He reported on a lease extension valuation in the same estate where he had agreed a relativity of 75.8% for a 48.75 unexpired lease. He did not include this in his later averaging of all evidence.

21. He then referred to the approach in four Tribunal decisions: 82 Twickenham Road (75.15%), Cumberland Court (71.03%), 33 Rattray Road (75.15%), and 135 Maybank Road (74.01%).

22. An average of all six produced an average relativity of 72.76% which he adopted for his valuation.

23. Mr Fieldsman called Ms Marriner to give her evidence. She referred to her report dated 10 March 2016. We were also handed a copy of an addendum to her report which is dated 14 March 2016. This was produced following comments made by Mr Murphy following the exchange of reports. In particular when she referred to market evidence provided by the sale of 68 Perth Road she had not taken account of the fact that the sale was by auction and the dwelling was in need of modernisation. In her original report she and Mr Murphy had agreed that the "Nailrile effect" adjustment is required to account for Act rights in the real world short lease values.

To real world values a downwards adjustment is needed to reflect the statutory assumption that there are no rights to seek a new lease (or to join an enfranchisement claim). Ms Marriner suggests that the lease value should be reduced by a factor of 7.5% to reflect this factor. Noting the judgement in *Nailrile v Cadogan* [2009] RVR 95 which in her opinion determined a 'no Act world' discount of 7.5% for a 44 year lease in prime central London and the 'My Leasehold relativity calculator' which suggested 9.34% in PCL. She said that she would adopt 7.5% in her analysis to the subject property as it is not situated in the PCL.

24. Like Mr Murphy she relies on her experience of transactions on the Estate and on decisions of this tribunal on similar properties. Miss Mariner considered empirical market evidence from one-bedroom flats, two-bedroom flats, and an altered one-bedroom flat, to guide her on relativity. She concludes that the applicable relativity is an average 62.63%. This is based on the market sales analysis of a one bedroom flat (61.6%), for two bedroom flats (69.38%) and for a flat which had been converted from one to two bedrooms (56.91%). Applying this to the agreed values for the subject she concludes that the premium payable for the grant of a new lease is the sum of £67,985). 'Relativity' was defined in the RICS research report published in 2009 as the value of a dwelling held on a lease at any given unexpired term, divided by the value of the same dwelling in possession to the freeholder expressed as a percentage.

25. Having considered these rival contentions we note that Ms Mariner's evidence for one bed flats and the altered one-bed flats is not entirely convincing as it relies on only one comparable. However, it is evidence. The two bed flat evidence is also relevant. We do not consider that relying on previous decisions of this tribunal (as Mr Murphy did) on valuation is that helpful. It is our duty to consider the evidence that was adduced at the hearing. In reaching our conclusions we have given most weight to Ms Marriner's evidence which is based on the market evidence she produced and adopting her interpretation of the *Nailrile* decision. Mr Murphy placed far too much reliance, in our view, on previous decisions of this tribunal (including the evidence adduced in some of these cases).

26. We note that the Lands Tribunal in the *Nailrile* case decided that in determining relativity the tribunal should take account of any market evidence derived from the sales of comparable dwellings coupled with use of the relevant graphs of relativity. We found Ms Marriner's analysis of market sales helpful and we have arrived at the conclusion that the disputed relativity should be determined at the rate of 66%. This is a rough average of her analysis of the sales of the one and two bedroom flats. Her analysis of the sales evidence of the altered one-bedroom flat (at 56.91%) seemed very much out of line, not only with her other analysed sales but also Mr Murphy's analysed sales evidence, and the RICS graphs. As relativity was the only matter that divided the valuers we have applied it to the other elements of the valuation to arrive at our valuation of the premium the leaseholder must pay the landlord for the grant of a new lease. This is the sum of £63,049. A copy of our valuation is appended to this decision.

The terms of the new lease

27. We turn now to the disputed terms of the new lease. Before considering the rival submissions we must first deal with the landlord's application for an order preventing the leaseholder from contesting the landlord's claim that the new lease should contain alterations from the terms in the current lease. For the landlord Mr Fieldsman developed the arguments set out in his written submissions. He reminded the tribunal that the landlord sent a draft lease to the leaseholder's advisors when they gave their counter-notice on 3 August 2015. When the tribunal gave its directions on 4 December 2015 the landlord was given to 18 December 2015 to provide a draft lease and the leaseholder had until 1 January 2016 to reply. Despite several reminders the leaseholder did not respond until 9 March 2016.

28. Mr Fieldsman referred us to rules 6, 8(2)(c) and to rule 9(3)(a) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 . In his submission the tribunal has the power to ensure that its directions are complied with and that the overall objective to deal with cases fairly and justly is achieved (rule 3). Rule 9 allows the tribunal to strike out proceedings or a case in whole or part in certain circumstances. In his submission the delays in this case which put the landlord's advisors to considerable inconvenience. The delays are so serious, he argued, that the tribunal should strike out that part of the leaseholder's case.

29. Mr Cain who was only recently instructed in this case, could offer little in response and unfortunately there was no-one from his instructing solicitors present at the hearing to offer any sort of explanation or rebuttal of these serious criticisms.

30. We accept that the failure to comply with the directions is a serious matter and that there were unacceptable delays in this case. However, striking out the leaseholder's case on the terms of the new lease is too drastic a step in our view. This is because the new lease will be in effect for a lengthy term and it would be harsh on the leaseholder and his successors in title to be saddled with terms he considers to be unjustified without having had the opportunity of challenging the proposed changes. For our part we consider that we needed the benefit of submissions from both sides if we are to make proper determinations. Mr Fieldsend made his submissions forcefully and well and there is a good deal of merit in his criticisms of the leaseholder and his advisors. But for the reasons just given we reject the argument that the leaseholder's case for opposing the proposed changes to the lease should not be heard. (We deal below with the landlord's application for an order for costs under rule 13).

31. It was agreed that Mr Fieldsend would start by addressing the landlord's proposals. Mr Fain would then reply and address also the one change advocated by the leaseholder. He handed us a written summary of his submissions. We were also referred by counsel for the parties to the draft lease which contains various proposed amendments and comments which starts at page 103 of the bundle.

32. Mr Fieldsend developed points first set out in his written submissions. At the hearing he elaborated on the these submissions. In general terms he expressed the view that whilst the leading authority on the scope of the tribunal's discretion under section 57 is the decision of the Lands Tribunal in *Gordon v Church Commissioners*

[2007] (unreported) we should not follow it. In his opinion the case was wrongly decided in that it adopted far too narrow an approach to the discretion that the tribunal has. He refers to comments made by Lord Neuberger in *De Walden v Aggio* [2009] 1 AC 39. to the effect that the tribunal has 'relatively wide powers, often involving sophisticated judgement' (at [49]). Mr Fieldsman told us that the *Gordon* decision adopted a far too restrictive approach to interpreting the scope of section 57. He also reminded us that until the Upper Tribunal replaced the Lands Tribunal, the latter was not a court of record.

33. For the landlord Mr Fieldsman relies on the terms of section 57(2)(a) which reads *'Where during the continuance of the new lease the landlord will be under any obligation for the provision of services, or for repairs, maintenance or insurance the new lease may require payments to be made by the tenant (whether as rent or otherwise) in consideration of those matters or in respect of the cost thereof to the landlord;* and on section 57(6) by which either the landlord or the leaseholder *may require that for the purposes of the new lease any term of the existing lease shall be excluded or modified in so far as (a) it is necessary to do so in order to remedy a defect in the existing lease; or (b) it would be unreasonable in the circumstances to include, or include without modification, the term in question in view of changes occurring since the date of commencement of the existing lease which affect the suitability on the relevant date of the provisions of that lease.*

34. Mr Fieldsman argues for the following new terms in the new lease. First, he submits that the new lease should contain amendments to clause 1 of the lease altering the reference to rent where he relies on section 57 (2)(a) of the Act. The purpose of the change proposed is to provide that the landlord's costs can be recovered as rent. Such a modification, he submits, will cause no prejudice to the leaseholder and arguably could be to his advantage. The benefit of this change is that it would clarify the position in the event that the landlord decides to seek a forfeiture of the lease.

35. Second, is a change to clarify and to extend the leaseholder's liability for external decorative works (under clause 2(6) of the current lease).

36. Third, is a proposed modification to clause 2(12) of the current lease which allows the landlord to enter the premises where the leaseholder has failed to carry out repairs by allowing the landlord's costs to be recoverable 'as a debt due to the landlord'. The purpose of this, Mr Fieldsman told us, is to allow for a claim which is currently recoverable as damages to be recovered as rent.

37. Fourth, is a proposed change to the current registration fee of £6 (clause 2(22) of the current lease) by increasing it to take account of inflation and to allow the landlord to implement future changes to the fee.

38. Fifth is a proposed new clause that would allow the landlord to charge interest on any sums due by the leaseholder if he or she is in arrears for more than 14 days of the demand for payment.

39. Mr Fieldsman also addressed us on the two proposed changes made on behalf of the leaseholder.

40. For the leaseholder Mr Fain addressed us on the proposed changes and also to changes that he proposes to the current lease. He elaborated on his written submissions dated 15 March 2016. He favours the limited interpretation of the scope of the tribunal's discretion under section 57. Mr Fain proposes a revision to clause 3(ii) of the current lease so as to extend the landlord's responsibilities for insuring the building containing the flats. He also proposes the clauses in the current lease (clauses 4 and 6(2) which deal with the payment of rent should be deleted as they are no longer relevant as the rent under the new lease will be a nominal rent. In addition he argues that the registration fee payable under the current lease should be increased to take account of the effects of inflation since the lease was first granted.

41. Our approach to these issues is influenced by our reading of the *Gordon* decision and the commentary in Hague. Under section 57 the starting point is the proposition that the terms of the new lease (except for rent and the length of the new lease) '..shall be on the same terms as those of the existing lease..'(section 57(1). As the authors of *Hague: Leasehold Enfranchisement (6th ed)* put it 'In the absence of agreement, there is only limited scope for a change from the existing lease terms' (32-06).

42. Our reading of the Gordon decision is that the Lands Tribunal decided that section 57 does not allow the addition of a wholly new term in the absence of agreement between the parties. This appears to be so so even though the proposed term would modernise the existing terms.

43. In the *Gordon* case the leaseholder failed in his attempt to introduce a new landlord covenant which would require the landlord to enforce covenants by leaseholders of other flats. We note the change of status of the Lands Tribunal to the Upper Tribunal as a tribunal of record. The criticisms of the *Gordon* decision are telling. It is our understanding that modern leases almost invariably include such a clause and that in practice it may be difficult for a flat owner to sell without such a covenant. Lord Neuberger's comments in the *de Walden* case cited above are also important. (We note also that the leaseholder was not legally represented in the *Gordon* case, that the landlord was represented by leading counsel and that the tribunal gave its conclusions as 'substantially as those advanced' by the landlord's counsel (paragraph 38)). However, whilst we accept the criticisms of the *Gordon* decision are telling we do not consider it appropriate for this tribunal not to follow it. At the very least rulings of the Lands Tribunal are of persuasive authority.

44. Moreover, in the *Sportelli v Cadogan* [2008] 1 WLR 232 litigation (on the deferment rate) the Court of Appeal endorsed the Lands Tribunal's giving guidance on the deferment rate to this tribunal (then called the leasehold valuation tribunal).

45. Whilst we have carefully noted Lord Neuberger's comments in *de Walden* case we are not aware of any tribunal decisions in which this approach to determining disputed terms of new leases has been adopted.

46. We therefore propose to follow (with some reluctance) the narrow interpretation of the scope of section 57 propounded in *Gordon*. In that case the Lands Tribunal started with the proposition that 'the starting point is firmly based in the terms of the existing lease' (paragraph 39). Whilst we accept that many or most of the

landlord's suggestions (and those of the leaseholder) would represent an improvement or a modernisation of the current lease we do not accept that it is right for us to introduce what are effectively new terms. This is the case with the proposed terms referred to above and also to the terms proposed on behalf of the leaseholder which would also represent an improvement over the current lease terms. Both counsel relied on the terms of section 57(2)(a) and section 57(6) of the Act. However, we do not consider that the changes proposed can be justified under either of these subsections. Section 57(2)(a) does not apply to this case as the existing lease makes provision for the landlord to recover its costs. We do not consider that section 57(6) of the Act applies as (a) there is no 'defect' in the current lease and (b) that a change (with one exception which is dealt with below) is justified by changes that have occurred since the start of the existing lease.

47. For similar reasons, we have decided not to express a view on whether the proposals would be justified if a broader view of our discretion were to prevail. Mr Fieldsman quite properly asked us to undertake this exercise as if there was a successful appeal against our decision, the Upper Tribunal might refer the matter back to this tribunal for a determination. However, we did not have the benefit of argument by the leaseholder on that issue and besides the landlord's arguments were based on the proposition that the proposed changes were within the scope of section 57 adopting a broader approach than that in *Gordon*. As we have decided that we are bound to follow that decision we do not consider it that it is necessary for us explain whether the submissions made on behalf of the landlord would be justified if a different approach than that taken by the Upper Tribunal was adopted by this tribunal.

48. Similarly, we accept (with one exception) the proposed changes advocated by the leaseholder, sensible as many of them are. One disputed new term is that on revising the registration fee which is currently set at £6. We do not consider that either party was entirely persuasive in proposing a way of increasing this sum. That the sum should be increased to take account of inflation since the lease was originally granted in 1981 is a compelling argument. The landlord proposes a new charge of £50 or such other sum as the landlord reasonably determines. The leaseholder simply proposes a new figure of £24 to reflect increases in the retail price mechanism since 1981 without a formula for increasing it in future. We agree with the leaseholder's proposed new fee of £24 and we reject the landlord's proposed review clause. It is therefore determined that clause 2(22) of the current lease is amended with the substitution of the sum of £24 for the sum of £6. We consider that this change is justified under section 57(6)(b) as inflation and its effect on the economic value of the fee has changed. The landlord sought a higher figure coupled with the right to make future increases. We prefer the leaseholder's submission on the appropriate new figure and we reject the landlord's proposal that it should have the right to increase it as this is effectively a new term.

49. As we pointed out to the parties at the hearing, this fee may be an 'administration charge' within the meaning of schedule 11 to the Commonhold and Leasehold Reform Act 2002 so application could be made for the sum to be changed in the future (if the parties cannot agree on the appropriate increased sum).

Costs

50. We turn finally to the landlord's application for costs. This is made under rule 13 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. Mr Fieldsman made this application on the first day of the hearing and he elaborated on it during the second day. The basis of the application is that the late delivery of the leaseholder's documents put the landlord's solicitors to unnecessary trouble and expense. The leaseholder's solicitors sent the documents less than two days before the start of the hearing by an email sent late on a Sunday evening.

51. As a result the landlord's solicitors had to print out the documents and collate them the following day which was just a day before the start of the hearing. They also incurred the expense of delivering the papers to counsel by using a courier service.

52. They claim the following costs: printing costs (£217.20 exclusive of VAT); courier's costs (£28.20 inclusive of VAT); for the time spent by a para-legal in organising and collating the printed document £120 (based on 30 minutes charged at a fee earner hourly rate £200 exclusive of VAT) and one hour of a solicitor's time trying to persuade the leaseholder's solicitors to comply with the directions (£330 exclusive of VAT).

53. Under rule 13(1)(b) it has to be shown that a party has behaved unreasonably. Earlier in this decision we dealt with an application that the leaseholder's case on the appropriate terms of the new lease should be struck out and we rejected the application. We reached that conclusion as we needed to hear submissions on that issue from each of the parties. However, we consider that it was unreasonable for those advising the leaseholder to leave it so late to serve documents.

54. Rule 13 costs decisions are at the discretion of the tribunal. We can make an order for costs under rule 13 either under section 29(4) of the *Tribunals, Courts and Enforcement Act 2007* (commonly known as a 'wasted costs' orders), or in one or other of the cases set out in rule 13. Wasted costs orders can be made under section 29(4) of the 2007 Act against a legal or other representative and it clearly has no relevance to this application. Instead we are considering an application based on a submission by the landlord that the leaseholder as a party to the proceedings has behaved unreasonably in bringing, defending, or conducting proceedings.

55. We now consider the background to this new costs power. Before this new costs power came into effect the tribunal had power to make costs under paragraph 10, Schedule 12 of the Commonhold and Leasehold Reform Act 2002 limited to a maximum order of £500 (or other amount to be specified in procedure regulations). Under rule 13 of the new rules there is no upper limit on the amount of the costs that can be ordered.

56. The tribunal system is sometimes referred to as a 'cost-free' jurisdiction for, unlike court proceedings, the losing party cannot be ordered to pay the successful party's legal costs. Common sense and experience has shown that leaseholders may have been deterred from using litigation to assert their rights by the prospect of losing the case and having to pay the other party's costs. This may have been one of the reasons for the transfer of jurisdiction over residential leasehold disputes, such

as disputed service charges, from the county court to the tribunal. Another relevant factor is that, an order can be made under section 20C of the 1985 Act to prevents a landlord from seeking to recover any professional costs it incurred in proceedings before the tribunal as a future service charge. To complete the picture, the tribunal can order one party to reimburse the other for the fee payable in making an application. These points apart the tribunal has no powers to order one party to pay the legal costs of the other.

57. These brief comments lead us to the conclusion that costs orders under rule 13 should only be made in exceptional cases where a party has clearly behaved unreasonably. This is because the tribunal remains essentially a costs-free jurisdiction, one where an applicant should not be deterred from using the jurisdiction for fear of having to pay the other party's costs should she or he fail in their application. Rule 13 costs should, in our view, be reserved for cases where on any objective assessment a party has behaved so unreasonably that it is only fair and reasonable that the other party is compensated by having some proportion of their legal costs paid.

58. This is such a case with this application where we conclude that by leaving it so late to send documents to the landlord's solicitors that they had no alternative but to print a copy and arrange for its delivery to counsel. That said we have reservations on what is being claimed. We have no doubt at all that the landlord should be reimbursed the copying costs which comes (with VAT) to the sum of £260.64. We also consider that the landlord's solicitors had little or no alternative but to arrange delivery of a copy of the document by courier. The costs order will include the sum of £28.20 representing the courier's costs.

59. However, we do not accept that it is reasonable to require payment of any legal fees. We do not accept that the printing and collating of documents, which is a simple administrative task, needs the involvement of a lawyer. Nor do we consider that the costs of using a solicitor/partner for pressing the leaseholder's solicitors should be included in a costs order made under rule 13.

60. In summary, we determine that the leaseholder must pay the sum of £288.84 to the landlord's solicitors and that this must be done by 30 May, 2016.

Rights of appeal

61. Under rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the tribunal is required to notify the parties about any right of appeal they may have.

62. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case. The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

63. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed, despite it not being within the time limit.

64. The application for permission to appeal must identify the decision of the tribunal to which it relates (that is to give the date, the property and the case number), state the grounds of appeal and state the result the party making the application is seeking.

65. If this tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

James Driscoll and Richard Shaw
3 May, 2016.

40 Bloxhall Road, Leyton E10 7LP

Valuation Date 1 June 2015	Relativity 66%				
Unexpired lease term 47.6 years					
Freeholder's Present interest					
Ground rent	75				
YP 47.6 yrs @ 7%	13.715				
			1029		
Reversion to	292,971				
PV 47.6 yrs @ 5%	0.098				
			28711		
				29740	
Less					
Freeholder's Proposed interest					
Reversion to	292971				
PV 137.6 yrs @ 5%	0.0012				
				-352	
					29388
Marriage value					
Proposed interests					
Tenant	290070				
Landlord	352				
		290422			
Less					
Present interests					
Tenant	193361				
Landlord	29740	223101			
			67321		
			50%		33661
				Premium	63,049