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**Residential
Property**
TRIBUNAL SERVICE

**LONDON RENT ASSESSMENT PANEL
LEASEHOLD VALUATION TRIBUNAL**

LON/00AN/LSC/2006/0064

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL ON AN
APPLICATION UNDER SECTION 27A LANDLORD AND TENANT ACT
1985**

Applicant: Mr Anthony Moussaioff

Respondent: Mr Hussein Davardoust

Property: 110 Barons Court Road, London W14 9DX

Date of Application: 20 February 2006

Date of Determination: 17 May 2006

Venue: 10 Alfred Place, London WC1E 7LR

Appearances for Applicant: None

Appearances for Respondent: None

Also in Attendance: None

Members of the Tribunal: Mr John Hewitt Chairman
Mr W John Reed FRICS
Mr Philip Tobin FRICS, MCI Arb

Date of Decision: 30 May 2006

Decision

1. The arrears of service charges are as follows:

1.1	Period ending 28 September 2005	£ 97.45
1.2	Management charge 02/03	£ 60.00
1.3	Management charge 03/04	£ 60.00
1.4	Management charge 04/05	£ 60.00
1.5	On account service charge 05/06	£271.79
1.6	Management charge 05/06	<u>£ 60.00</u>
Total		£609.24

2. The sum of £609.24 is payable by the Respondent to the Applicant forthwith, payable by way of a remittance drawn payable to and sent to the Applicant's managing agents, AM Investments at 76a Westbourne Grove, London W2 5SH

3. The findings of the Tribunal and the reasons for its decision are set out below.

Background

4. The Applicant is the freeholder and thereby the landlord of the building known as 110 Barons Court Road London W14 9DX (the Building).

5. The Building has been divided into four self-contained flats, at least three of which have been let on long leases at ground rents.

6. The Respondent is the lessee, by assignment, of the first floor flat the lease of which is dated 16 March 2001 and was granted by the Applicant, as landlord, to Raviv Goldman and Sharon Eleanor Goldman, as tenant (the Lease) The Lease granted a term of 125 years from 16 March 2001 at a ground rent of £250 per annum and on the terms and conditions therein set out.

7. The Lease provides for the payment of service charges.

8. By an application dated 20 February 2006 the Applicant made an application to the Tribunal pursuant to s27A of the Landlord and Tenant Act 1985 (the Act) for the determination of the amount of service charges payable by the Respondent. Directions were given on 31 March 2006. Notice was also given to the parties that the Tribunal proposed to determine the application without an oral hearing and on the basis of written evidence and submissions, pursuant to regulation 13 of the Leasehold Valuation Tribunals (Procedure) (England) Regulations 2003.

9. The Applicant has submitted his statement of case and supporting documents in accordance with the directions. The Respondent has not submitted a case in compliance with the directions, or at all.

10. Neither party has requested an oral hearing.

11. The Tribunal determined the application on the 17 May 2006 on the basis of the documents submitted by the Applicant in accordance with the directions given.

The Lease

12. So far as material to this application the Lease provides as follows:
 - 12.1 For the payment of an insurance rent equal to the proportion specified in Part VIII of the First Schedule. (Clause 1) (The proportion specified is the proportion which the rateable value of the Flat bears to the total rateable value of all the flats in the Building).
 - 12.2 For the payment of a contribution to the expenses and outgoings incurred by the landlord in the repair and maintenance of the Building and other expenditure set out in the Fifth Schedule ('the Service Charge'). (Clause 4(2)).
 - 12.3 The proportion of Service Charge payable is as set out in Part VIII of the First Schedule.
 - 12.4 The regime for ascertaining the service charge is that the amount of the Service Charge is to be certified by a certificate signed by the landlord's auditors, accountants or managing agents as soon after the year end as is possible. (Clause 4(2)(a)).
 - 12.5 The certificate is to contain a summary of the expenses and outgoings incurred. (Clause 4(2)(d)).
 - 12.6 The certificate is to be given to the tenant upon request. (Clause 4(2)(c)).
 - 12.7 The tenant is to pay a sum on account of the service as the landlord, its accountants or managing agents shall specify at their discretion to be a fair and reasonable interim payment. (Clause 4(2)(g)).
 - 12.8 The landlord shall furnish an account to the tenant showing the Service Charge payable for the year in question, due credit being given for all interim payments made by the tenant. Any balance due by the tenant to the landlord shall be paid by the tenant. Any balance due to the tenant shall be credited to his account as an interim payment. (Clause 4(2)(h)).
 - 12.9 The landlord is obliged to maintain and keep in repair the mains structure of the Building and the utilities serving it and to decorate the exterior of the Building and the common parts. (Clause 5(4) and (5)).
 - 12.10 The Fifth Schedule sets out a comprehensive list of expenditure and outgoings to which the tenant is required to contribute by way of Service Charge, including
 - Paragraph 1. All costs and expenses incurred by the landlord for the purpose of complying or in connection with the fulfilment of his obligations under sub-clauses (4) and (5) of clause 5 of the lease.
 - Paragraph 4. The fees of the landlord's managing agents for the collection of the rents of the flats in the Building and for the general management and administration thereof.
 - Paragraph 5. All fees and costs incurred in respect of the annual certificate and of accounts kept and audits made for the purpose thereof and in respect of the collection of the rent and service charge payment.

The Proportion Payable

13. The lease provides that the proportion payable is the ratio which the rateable value of the Flat bears to the total rateable values of the four flats within the building.
14. In earlier proceedings between the Applicant and Mr Raviv Goldman (the lessee of the ground floor flat) Ref: LON/00AN/LIS/2004/0101 a leasehold valuation tribunal determined that in the absence of evidence of the rateable values of the four flats, it was not unreasonable to work on the basis of historic percentages provided by previous lessors and their managing agents. Evidently those percentages are:

Basement Flat	19.0877
Ground Floor Flat	26.2905
1 st Floor Flat	28.3313
2 nd Floor Flat	26.2905

The Tribunal decided to accept these percentages and proceed on the basis of them for the same reasons given by the tribunal in the earlier case cited.

The Service Charges Claimed

15. The Applicant has provided a certificate for the service charge expenditure for the period 25 June 2001 to 28 September 2005 which shows expenditure as follows:

Repairs and Maintenance	£ 207.64
Light and Heat	£ 176.79
Insurance	£2,194.58
Accountancy	<u>£ 205.62</u>
Total	£2,784.63
Contribution payable at 28.3313%	£ 788.92
Less interim payments	<u>£ 691.47</u>
Balance payable	£ 97.45

16. The practice of the Applicant has been to charge for the managing agents fees separately on a unit basis of £60 per unit for each of the years 2002/3, 2003/4 and 2004/5. The tribunal referred to in paragraph 14 above also considered the amount of the charge at £60 per unit and found that in its opinion that it was a reasonable fee even allowing for the minimal services provided, being limited to minor repairs, insurance, lighting, arranging accounts and the certificates and collection of rents and service charges.
17. On the basis of the documents provided by the Applicant the Tribunal is satisfied that the service charge appears as at 28 September 2005 stood at £97.45. The Tribunal is also satisfied, given our experience in these matters, that a unit management fee of £60 per year is a reasonable fee

given the location of the Flat and the level of services provided, albeit that those services are not extensive.

18. We thus find that there is payable now the sum of £277.45. This is made up as at to:

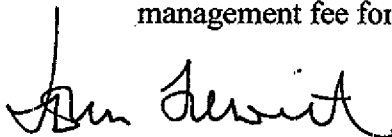
Arrears	£ 97.45
Management charges:	
2002/3	£ 60.00
2003/4	£ 60.00
2004/5	<u>£ 60.00</u>
Total	£277.45

19. The Applicant also claims an interim payment for the year 2005/6. The landlord's service charge year now runs from 29 September to the following 28 September.
20. The Applicant has provided a budget, which, when allowing for insurance, is as follows:

Repairs and Maintenance	£ 96.40
Light and Heat	£ 32.95
Insurance	£ 603.81
Accountancy	<u>£ 226.18</u>
Total	£ 959.34

Evidently the budget is arrived at by taking the actual expenditure for 2004/5 and increasing it by 10%.

21. The Tribunal is satisfied that given the circumstances of the subject premises the landlord's approach to the preparation of the budget for 2005/6 was sensible and practical and within the range of what a reasonable landlord might do. Accordingly the Tribunal finds that the Respondent's share of the budget, at 28.3313% amounts to £271.79 and that this sum is payable in advance by way of an interim payment. In addition the Tribunal finds that the sum of £60 in respect of the management fee for 2005/6 is also payable by way of an interim payment.



John Hewitt
Chairman
30 May 2006