



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

Case Reference : **MAN/00BY/OC6/2023/0003**

Property : **27, Rodney Street, Liverpool L1 9EH**

Applicant : **Sean Flanagan
(Represented by Orme Associates LLP)**

Respondents : **Liverpool City Council**

Type of Applications : **Application under Section 21(1)(ba)
Leasehold reform Act 1967 to determine the
reasonable costs payable under Section 9(4)
of that Act.**

Tribunal Members : **Mr J R Rimmer
Mr R Harris MBE, FRICS**

Date of Decision : **14th March 2024**

Decision : **The amount payable in respect of the
reasonable costs of the Respondent is
£1,100.00 for the reasons set out herein.**

Preliminary

1 This application arises out of an application for enfranchisement of the freehold of the dwelling house at 27, Rodney Street, Liverpool L1 9EH under the provisions of the Leasehold Reform Act 1967 (“the Act”). In such a matter the Respondent is entitled to recover the reasonable legal costs for its work in respect of the transaction under the Act and to the further costs of its surveyor/valuer engaged on its behalf of to seek to establish the price payable.

2 Those costs in this case are the in-house costs incurred by the Respondent’s legal and valuation teams and in respect of which the parties have been unable to reach an agreement. The Applicant is represented by Orme Associates.

The Law

3 Section 21(1)(ba) of the Act provides for the determination of the reasonable costs of the Respondent freeholder to a notice under the Act if those reasonable costs cannot be agreed in relation to:

- (a) Any investigation by the landlord of that person’s right to acquire the freehold;
- (b) Any conveyance or assurance of the house and premises or any part thereof or any outstanding estate or interest therein;
- (c) Deducing, evidencing and verifying the title in the house and premises or any estate or interest therein;
- (d) making out and furnishing such abstracts and copies as the person giving the notice may require;
- (e) valuation of the house and premises.

Submissions

- 4 The Tribunal has considered extensive submissions from both parties in relation to the matter and it has also had the opportunity of considering the history of the acquisition of the freehold to the property as well as the lack of agreement upon the issue of the costs payable.
- 5 It notes that within the documents that have been sent to it a somewhat confusing history of the transaction becomes apparent:
 - On 8th July 2020 an email is sent to the Applicant by the Respondent’s officer indicating that he is prepared to recommend to the Council acceptance of an amount of £27,420.00 for the freehold of the property, together with £1,100.00 for fees.
 - By 4th August 2022 that freehold price is confirmed and the fees suggested have increased to £1,150.00
 - On 30th May 2023 there appears to be final agreement on a price of £32,000.00, but fees, now in an amount of £2,400.00 remain the subject of dispute.

- No satisfactory explanation for the delay of nearly three years and a resulting increase in price are provided and the Tribunal sees nothing of significance having been done from the Respondent's perspective during that period to increase the costs incurred.
- 6 Mr Orme states that he has not been sure whether the email of 8th June 2020 amounts to a binding agreement between the parties as to price and costs. This appears to direct his mind to seeking to close the matter of the price and then to dispute costs as being unreasonable.
 - 7 Much is then made by both parties as to what constitutes reasonable costs and how that reasonableness is to be evaluated by the Tribunal: the Applicant by reference to an analysis of market conditions and the Respondent by reference to published tariffs and time expended.
 - 8 The Tribunal is satisfied that this disputation is unnecessary and of little effect. The email of 8th July 2020 comes from a competent, trained officer of the Respondent. The Tribunal is confident that it may assume that any recommendation to the Council as to what constitutes the price and the sum for costs will be a reasonable one and not an unreasonable one.
 - 9 With that in mind, the Tribunal does not need to side with either party as to whether that email from 2020 does or does not evidence a binding contract. It is however a clear indication of what one party considers reasonable fees. The Tribunal considers that Mr Orme is entitled to rely upon it, absent any suggestion that on his part that he knew or ought to have known it manifestly to be a mistake. The Tribunal does not think that the Respondent is able to justify any higher amount, let alone a significantly higher one, in the absence of any clear evidence as to why the original amount might have become unreasonably low.

J R RIMMER (CHAIRMAN)

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