

**LEASEHOLD VALUATION TRIBUNAL FOR  
EASTERN RENT ASSESSMENT PANEL  
File Ref No: CAM/00MD/LSC/2005/0029**

**Leasehold Valuation Tribunal:     Decision**

**Landlord and Tenant Act 1985**

**The Tribunal Members were:**

Mrs H Bowers BSc (Econ) MSc MRICS  
Mrs S Redmond BSc (Econ) MRICS  
Mr J J Sims LLM

**The Premises:**

Flat 4, 27 Sussex Place, Slough, Berkshire, SL1 1NH.

**The Applicant:**

Mr J B Lewis

**Respondent:**

Lisa Real Estate Limited

**Date of Inspection and Hearing:**     Friday 16<sup>th</sup> September 2005

**Attendance**

**Applicant:**

Mr Lewis

**Representing the Respondents:**

Mr N Adnan of Urbanpoint Property Management Limited, agents for Lisa Real Estate Limited

**1.     Introduction**

- 1.1     The Tribunal was dealing with an application dated 17<sup>th</sup> May 2005 for a determination of the reasonableness and/or liability to pay service charges under Section 27A Landlord and Tenant Act 1985, for the service charge years 1999-2005.

**2.     The Law**

- 2.1     Section 27A Landlord and Tenant Act 1985 provides that  
“An application may be made to a leasehold valuation tribunal for a determination whether a service charge is payable and, if it is, as to –
- (a)     the person by whom it is payable,
  - (b)     the person to whom it is payable,
  - (c)     The amount which is payable,
  - (d)     The date at or by which it is payable, and
  - (e)     The manner in which it is payable.”

### **3. Inspection**

- 3.1.1 Shortly prior to the hearing the Tribunal had the opportunity to carry out an inspection of the exterior and internal common parts of 27 Sussex Place. We also made an inspection of the interior of Flat 4 in order to ascertain the condition of water damage to the flat.
- 3.2 27 Sussex Place is a conversion of a semi-detached Victorian house into three flats in the main building and a fourth flat developed at the rear of the building. The property is situated on a pleasant residential road with restricted parking, close to Slough town centre.

### **4. The Leases**

- 4.1 We were provided with a copy of the lease for Flat 4, 27 Sussex Place. Clause 3 provides for the leaseholder to pay 25% of the Service Charge and Insurance. Schedule 2 and 4 set out the items to be covered by the Service Charge provisions and details the recovery mechanism.

### **5 Hearing**

- 5.1 Lisa Real Estate acquired the property on 5<sup>th</sup> January 1999. At that point in time there were arrears in respect of the subject flat from previous service charge years. At the hearing Mr Lewis acknowledged that the arrears at that date amounted to £511.09 and this provides a clear starting point for the subsequent service charge years to be considered. The Tribunal established with Mr Lewis the matters in dispute by going through the Statement of Services Charges for each year item by item.

#### **1999 Service Charge Year**

- 5.2 In 1999 Mr Lewis had arranged for the roof of the property to be renewed, he had paid for the work himself and then provided the landlord with the details of the invoice. The total amount of this work was £6,759. This amount and the standard of the work were not questioned by Mr Lewis.
- 5.3 In the 1999 service charge year, the first item disputed by Mr Lewis was £411.25 for survey fees. Mr Lewis was of the opinion that this was an excessive amount for a half hour ground level inspection and it was already apparent that the roof need to be replaced. Mr Adnan said that there had been a mathematical error and the amount should have been £405.38. There had been two inspections and one had been carried out at the completion of the roof works to ensure that the work was to a required standard.
- 5.4 The management fee of £461 was in the opinion of Mr Lewis excessive. There had been little management of the property indicted by the fact that Mr Lewis had arranged for repairs to the roof. Mr Adnan stated that the fee was reasonable and had not been increased for some time.

#### **2000 Service Charge Year**

- 5.5 The item in dispute is the management fee which has been addressed in paragraph 5.4 above.

#### **2001 Service Charge Year**

- 5.6 The question of the management fee was again raised and has been considered under paragraph 5.4 above.

#### **2002 Service Charge Year**

- 5.7 The management fee was in dispute and considered in paragraph 5.4 above. Additionally there was a sum of £228.09 which related to the replacement of carpets in the common parts. Another leaseholder in the property had made arrangements for the replacement of the carpet himself and then had obtained a contribution from Mr Lewis. The other leaseholder had then approached the landlord and had obtained a full reimbursement for the cost from the landlord. The landlord had subsequently sought contributions from all the leaseholders as part of the service charge.

#### **2003 Service Charge Year**

- 5.8 The management charges are in dispute as per paragraph 5.4. There are two invoices in this service charge year that total £1,139.75, one dated the day after the other. The invoices relate to works to the porch and some roof work. Mr Lewis thinks that the work was of a good standard, but was of the opinion that the cost was excessive for the work that was actually done. Mr Adnan had no comments to make on the work that was carried out.

#### **2004 Service Charge Year**

- 5.9 The only item under dispute was the management fee, as considered above in paragraph 5.4.

#### **2005 Service Charge Year**

- 5.10 There is an item of £250 for repairs and maintenance. This sum relates to the clearing of gutters and the work had not been carried out at the time of the hearing.
- 5.11 In addition to the issues raised in respect of the amount of the service charges. Mr Lewis was also concerned about the allocation of monies that he had paid.

### **6. Determination**

#### **1999 Service Charge Year**

- 6.1 We are of the opinion that the inspections carried out in 1999 were necessary as Lisa Real Estate had just acquired the property and would have required to have been informed of the proposed roof work and also to the standard of work that was carried out. We have determined an amount of £405.38 for these works.

- 6.2 The management for the first three years of Lisa Real Estate's ownership appears to be quite poor. There had been a lack of communication and the condition of the property had been allowed to deteriorate. Accordingly we determine that the management fee for the service charge years 1999 to 2002 should be £352.50. The total amount of service charges for 1999 for Flat 4 is determined at £1,900.95 comprising 25% of the undisputed sums for audit, electricity and repairs & maintenance and the sums determined above.

**2000 Service Charge Year**

- 6.3 The management fee has been addressed in paragraph 6.2 above. The total amount of service charges for 2000 for Flat 4 is determined at £246.14.

**2001 Service Charge Year**

- 6.4 The management fee has been addressed in paragraph 6.2 above. The total amount of service charges for 2001 for Flat 4 is determined at £635.02.

**2002 Service Charge Year**

- 6.5 The cost for the replacement of the carpets in the common parts is a reasonable amount. It is unfortunate that Mr Lewis had made a separate contribution to the other leaseholder, but the landlords were entitled to recover the cost of the carpet from the other leaseholders and therefore we have determined that the full amount of £228.09 is recoverable. As with previous years we have determined the management fee to be £352.50. The total amount of service charges for 2002 for Flat 4 is determined at £642.08.

**2003 Service Charge Year**

- 6.6 With respect to the management charge we considered that at this point there had been an improvement in the level of service and accordingly we have increased the total management fee to £470, including VAT. With regards to the roof and porch work we were surprised to see that there had been two invoices for the work. In our opinion the cost of the work was excessive. We consider that the work would have reasonably been carried out for £300 for labour and £500 for materials; this provides a total sum of £940 including VAT. The total amount of service charges for 2003 for Flat 4 is determined at £926.44.

**2004 Service Charge Year**

- 6.7 We determine the management fee at £470 including VAT. The total amount of service charges for 2004 for Flat 4 is determined at £704.80

**2005 Service Charge Year**

- 6.8 This is an estimated service charge account and there should be reconciliation at the end of the year to reflect actual expenditure during the year. Nothing in this estimate seems unreasonable and therefore we determine a service charge for 2005 of £771.25, subject to any reconciliation.
- 6.9 A summary of the service charges we have determined is shown in Appendix I, which is attached to these reasons. The total amount of service charges due for Flat for the period up to 1999 and including 2005 is £6,337.77. However, a number of payments have been made by Mr Lewis in the period and these

need to be allocated to his account. The total payments made by Mr Lewis in the period are £8,709. There has been a cheque back to Mr Lewis for £5,069.25, this cheque relates to the reimbursement for the roof works. This leaves a net payment of £3,639.75. However some of this amount relates to the ground rent and insurance, this leaves £3,289.75 paid towards the service charge. Taking the total due for the period as £6,337.77 and deducting sums already paid of £3,289.75 these leaves a figure of **£3,048.02** that is due from Mr Lewis to the landlords. These figures are summarised in the attached Appendix 1.

- 6.10 The Tribunal were satisfied that Urbanpoint's planned approach to establish a sinking fund, which is allowed under the terms of the lease, of £5,000 over a period of five years as outlined in their letter of 2/1/03 was appropriate for a property of this size and configuration.



Chairman  
Helen C Bowers

25/10/05.

Date