

Ref. Nos. LON/OOAP/NSI/2003/0070
& LON/OOAP/NLC/2003/0022

**RESIDENTIAL PROPERTY SERVICE
for the
LONDON RENT ASSESSMENT PANEL**

**DECISION OF THE LEASEHOLD VALUATION TRIBUNAL
ON APPLICATIONS UNDER SECTIONS 19 (2A) AND 19 (2B)
OF THE LANDLORD AND TENANT ACT 1985**

Applicant: Mr. M. Brenton

Respondents: Mr. and Mrs. B. Rowan

Re: Flat 3, 38 Coolhurst Road, Crouch End, London N.8

Application date: 3 July 2003

Hearing date: 17 November 2003

Appearances: Mrs. J. Crome, Property Manager of
CJ International Property Agency Limited (Managing Agents)

Applicant

No appearance

Respondent

Members of the Leasehold Valuation Tribunal: Mr. P.D. Wulwik LLB (Chairman)
Mr. P.G. Plumbe FRICS, FCI Arb
Mr. S. Shaw LLB

Flat 3, 38 Coolhurst Road, Crouch End, London N8

A. Introduction

1. These were two applications dated 3 July 2003 brought by Mr. M. Brenton the freeholder and landlord of Flat 3, 38 Coolhurst Road, Crouch End, London N8 under Sections 19 (2A) and 19 (2B) of the Landlord and Tenant Act 1985 for the determination of the reasonableness of service charges incurred for 2002 and of estimated service charges for 2003.
2. The property at 38 Coolhurst Road is a late Victorian, converted semi-detached building on basement, ground and two upper floors. There are a total of 6 flats. Flat 3 is situated on the first floor mezzanine.
3. The subject flat is demised to the Respondents Mr. and Mrs. B. Rowan under a Lease dated 21 November 1984 for the term of 99 years from 29 September 1971.
4. By Clause 3 (m) of the Lease Mr. and Mrs. Rowan covenant to pay a maintenance charge towards the expenditure incurred by the landlord in carrying out his obligations under Clause 5 of the Lease, being $\frac{1}{6}^{\text{th}}$ of the annual cost. By Clause 4 (ii) Mr. and Mrs. Rowan also covenant to contribute $\frac{1}{6}^{\text{th}}$ part of the costs, expenses, outgoings and matters mentioned in the Fourth Schedule.
5. The present applications were issued by the landlord Mr. Brenton following non-payment of the service charges by the Respondents Mr. and Mrs. Rowan. The Respondents were apparently involved in acrimonious divorce proceedings. They do not live in the flat. The flat was empty, though it is usually sub-let.

6. The statement of service charge expenditure for the year 2002 totalled £3,408.62 and the estimated expenditure for 2003 totalled £4,000.
7. On 3 July 2003 the Applicant landlord issued the present applications for the determination of the reasonableness of the service charges incurred for 2002 and of the estimated service charges for 2003.
8. Directions were given by the Tribunal on 8 September 2003.
9. The Respondents had not complied with the directions and had taken no part in the proceedings. It was not known on what ground, if any, they disputed their liability to pay the service charges based on the statements of expenditure referred to.

B. Hearing

10. The hearing took place on 17 November 2003. The Applicant Mr. Brenton was represented by Mrs. J. Crome, Property Manager of CJ International Property Agency Limited who were the landlord's managing agents. The Respondents did not appear and were not represented.
11. Mrs. Crome went through both statements of service charge expenditure.
 - (1) Statement of expenditure for 2002 (£3,408.62)
 - (i) The agency fees of £1,057.50 were paid to CJ International Property Agency Limited as managing agents. They had been managing the property for about 8 years. Their duties were to collect the ground rent and service charge, operate the bank account for the service charge, see to the contracts for cleaning and gardening and pay contractors, and generally be on call for any necessary maintenance and repairs. The amount charged of £1,057.50 represented £150 per flat per annum plus VAT.

- (ii) The buildings insurance premium of £1,688.40 was paid to the Zurich. The managing agents did not earn any commission on the insurance.
- (iii) The communal electricity costs of £20.90 related to the common parts electricity for lighting (including replacement light bulbs) and the entryphone. The cleaner also used the common parts electricity.
- (iv) The cleaning charge of £160 related to fortnightly visits by the cleaner. The cleaner was paid £15 per month. If the cleaner did not attend, there was no charge. The cleaner was from Residential Cleaning Services. The cleaner's duties were to clean, polish and Hoover in the common parts, and to pick up leaves and litter. They were also supposed to check light bulbs.
- (v) The gardening charge of £220 related to work undertaken by Gardening Services. They attended as and when required to cut the grass in the rear garden. They came approximately once a month in the Summer.
- (vi) The entryphone costs of £60.08 involved two visits a year by the Entryphone Company. There was no annual contract as such.
- (vii) The bank charges of £54.72 were normal bank charges incurred in relation to the service charge account with Lloyds Bank.
- (viii) The repairs and maintenance charge of £147 related to painting the side door (£145) and photography for an insurance claim concerning alleged subsidence (£2).

(2) Estimated expenditure for 2003 (£4,000)

- (i) The agency fees of £1,200 inclusive of VAT had allowed for additional work by the managing agents in connection with planned external decoration. The external decoration had been postponed. The amount to be charged would be £1,057.50 as for the year 2002, that is £150 per annum per flat plus VAT.
- (ii) The figure for bank charges of £60 showed a small increase on the previous year's figure of £54.72. There was no element of interest.
- (iii) The figure of £1,800 for buildings insurance related to the policy with the Zurich and showed a modest increase on the figure of £1,688.40 for the previous year.
- (iv) The figure of £180 for cleaning was based on a charge of £15 per month, the same rate as previously.
- (v) The figure of £260 for gardening was likely to be lower in practice and nearer to the figure of £220 for the previous year.
- (vi) The figure of £35 for hallway electricity showed a slight increase on the previous year's figure of £20.90.
- (vii) The figure of £65 for the entryphone compared to the previous year's figure of £60.08.
- (viii) The figure of £400 for repairs and maintenance related to minor repairs to the side gate and pathway at the rear and the investigation of a possible drainage leak.

12. The Respondent lessees had not indicated any basis for challenging the figures.

C. Inspection

13. The Tribunal inspected the property at 38 Coolhurst Road on 17 November 2003. The Tribunal carried out an external inspection and an internal inspection of the common parts.
14. The property was an imposing late Victorian, semi-detached building on basement, ground and two upper floors with brick frontage and a pitched slate roof. There was no garden at the front, the area being used for parking. The external condition of the property was fair.
15. The main entrance to the building is up a small flight of stairs. The garden flat has a separate entrance through the side gate at the rear.
16. On entering the main building, there is a small entrance hall on the ground floor. There is linoleum on the ground floor and landings. The staircase is carpeted. The common parts were in a fair state of decoration and were clean.
17. The property has a reasonably large sloping garden at the rear. The garden was in reasonable order. There is a shed in the rear garden which belongs to the landlord. All the lessees have the use of the rear garden.

D. Reasons

(1) Statement of expenditure for 2002 (£3,408.62)

18. The Tribunal consider that the service charges for 2002 totalling £3,408.62 were reasonably incurred and that the services and works to which they relate were, on the

evidence before the Tribunal, of a reasonable standard. The Tribunal accordingly approve the statement of expenditure for 2002 in the sum of £3,408.62.

(2) Estimated expenditure for 2003 (£4,000)

19. The Applicant landlord accepted that the figure for agency fees should be reduced from £1,200 to £1,057.50 as for the year 2002 and likewise that the figure for gardening should be reduced from £260 to £220 being the previous year's figure.

20. The Tribunal consider that the reduced estimated expenditure for 2003 of £3,817.50 is reasonable. The Tribunal accordingly approve the estimated expenditure for 2003 in the reduced sum of £3,817.50.

Chairman *P. Wulwik*
Peter Wulwik

Date: *25 NOVEMBER* 2003

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D. Reasons

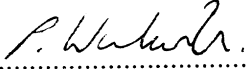
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Chairman 
Peter Wulwik

Date: 25 NOVEMBER 2003