Y Tribiwnlys Eiddo Preswyl

Residential Property Tribunal Service (Wales)

Leasehold Valuation Tribunal (Wales)

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DECISION AND REASONS OF RESIDENTIAL PROPERTY TRIBUNAL
Leasehold Reform, Housing and Urban Development Act 1993, s.48 and Landlord and Tenant Act 1985, s27A

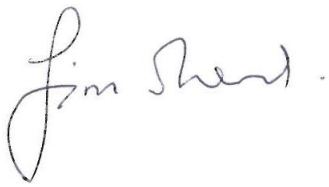
Premises:	123 Laburnum Court, Woolaston Avenue, Cardiff, CF23 6EW ("the premises")
RPT ref:	LVT/0009/05/16 and LVT/0011/06/16
Hearing:	3rd November 2016
Order :	**1. The premium payable for the lease extension is assessed at £5890.** **2. The service charges payable are assessed at £4102.26**
Applicants:	Neil McMullen
Respondents:	Lordsbridge Limited
Tribunal**:**	Mr J E Shepherd – Legal Chairman Mr R Baynham FRICS Mr K Watkins FRICS

ORDER

1. The price to be paid for the lease extension is £5890

2. The service charges payable are assessed at £ 4102.26

Dated this 2nd day of December 2016



Lawyer Chairman

Introduction

1. The Applicant is the leasehold owner of premises at 123 Laburnum Court, Woolaston Avenue, Cardiff, CF23 6EW ("the premises"). The Respondents own the freehold of the premises. The Applicant applied to the tribunal on 11th May 2016 in relation to two matters: Firstly for a determination of the premium to be paid for a lease extension pursuant to s.48(1) of the Leasehold Reform, Housing and Urban Development Act 1993 ("The premium issue") and secondly for a determination of the service charges payable for the period 2005-2015 ("The service charge issue").

The Inspection

2. The tribunal attended the property at the time arranged on 3rd November 2016. Also in attendance was the Applicant, his expert Mr Geraint Evans and Counsel for the Respondents Mr Gwydion Hughes. We inspected the interior and exterior of the premises. We were not invited to view any comparable properties.

3. The subject property is a ground floor bed - sit flat and forms part of a block of 12 similar units which were constructed approximately 35 years ago. The accommodation comprises a communal entrance hall with a door leading to the rear car parking area and a staircase providing access to the properties on the first and second floors. The subject flat, which is on the ground floor at the front of the building, consists of a living room/bedroom, kitchen and bathroom with a bath, wash hand basin and WC. The property has the benefit of gas fired central heating with the boiler situated in the kitchen. The front garden is laid to lawn with the rear consisting of a car parking area having a shared access with the adjoining development.

Background

4. The Applicant purchased the premises on 8th September 2004 becoming the registered proprietor at the Land Registry on 28th September 2004. The lease was originally granted on 29th September 1979 for a term of 99 years. The unexpired lease term is 62.84 years.

5. On 27th November 2015 the Applicant served notice on the Respondents pursuant to The Leasehold Reform Housing and Urban Development Act 1993,s.42. He proposed a premium of £3887 in return for a grant of a 90 year lease at the expiry of the existing lease.

6. On 1st February 2016 the Respondents served a counter notice pursuant to s.45 of the Act. The notice proposed a premium of £11000.

7. On 11th May 2016 the Applicant applied to the Tribunal seeking a determination of the premium payable. In the same application the Applicant requested that the Tribunal make a determination as to service charges payable. Thereafter in a letter from the Tribunal dated 19th May 2016 the Applicant was invited to make a separate application in relation to the service charge issue. This application was duly made on 25th June 2016.

8. On 15th June 2016 directions were issued by the Tribunal and the matter was later listed for hearing on 3rd November 2016.

Representation and witnesses

9. In relation to the premium issue both parties relied exclusively on the evidence of their experts, Geraint Evans (FRICS) for the Applicant and Ken Cooper (FRICS) for the Respondents.

10. In relation to the service charge issue both parties were represented by Counsel, Andrew Morse for the Applicant and Gwdion Hughes for the Respondents. The Applicant relied on his own evidence and the Respondents relied on the evidence of Gary Hall and Stephen Fyles.

The premium issue

11. Under Schedule 13 of the Leasehold Reform, Housing and Urban Development Act 1993,s.48 the Tribunal is required to determine the price to be paid in the case by calculating:-

    a) The diminution of the landlord's interest in the flat determined in accordance with paragraph 3 of Schedule 13;and

    b) The landlord's share of the marriage value in the flat as determined in accordance with paragraph 4 of Schedule 14.

12. In both paragraph 3(2) and 4A(1) the Tribunal is required to adopt certain assumptions when considering value. These include assuming that the Act does not apply to the premises and disregarding any tenant's improvements.

13. At the outset in their respective reports the experts agreed that the sole issues for the Tribunal to decide were the value of the premises with an extended lease and whether that value should be adjusted to reflect the provisions of Schedule 10, Local Government and Housing Act 1989.

14. The experts were agreed on the following matters:

    a) The unexpired lease term at the date of the notice was 62.84 years.

    b) The Capitalisation Rate for the ground rent was 6.5%

    c) The Reversionary Deferment Rate was 5%

    d) The unimproved existing lease value was £60000

    e) There were no improvements to be discounted.

Relativity

15. The experts appeared to agree that there were no direct comparables to rely upon in this case. In his report Mr Evans sought to rely on the decision of the Upper Tribunal Lands Chamber in the case of *Coolrace* (*In the matter of Appeals against decisions of the LVT of the Midlands Rent Assessment Panel by Coolrace Limited , Midlands Freeholds Limited and Fell Estates Limited* [2012] UKUT 69 (LC)). In particular the concluding paragraph of the case where it is suggested that a composite graph of

relativity might be of assistance to Valuers and Tribunals in cases where reliance upon such information is the only available option.

16. Mr Evans did not seek to rely on any comparables in his report but instead sought to rely on a graph. The Tribunal were supplied with this graph after the hearing but it was known to Mr Cooper. The graph is a Relativity Graph - Composite Graph for Greater London & England: RICS Relativity Report 2009 with Lease Graph overlay. Applying this composite graph a relativity of 87.86 % showed a premium of £5790. The LEASE graph showed a relativity of 89.27% which showed a premium of £5230.

17. In his report Mr Cooper accepted that there were no direct sales comparables to provide assistance in this case. He submitted that relativity graphs were only a "starting point" relying on the decision in the Upper Tribunal in *Denholm v Stobbs* [2016] UKUT 0288 (LC) which in turn made reference to the case of *The Trustees of the Sloane Stanley Estate v Mundy* [2016] UKUT 0223 (LC). In the latter case the Upper Tribunal in an extensive judgment looked at the use of graphs of relativity (App C). It refers to the Gerald Eve graph as the predominant graph in the market . However the Upper Tribunal was not able to give an unqualified endorsement to the use of the Gerald Eve or Savills 2002 graph. At paragraph 153 the Upper Tribunal stated the following:

153 In Appendix C we discuss in detail the Gerald Eve graph and the Savills 2002 graph. We are not able to give an unqualified endorsement to the use of either of these graphs for the reasons set out in Appendix C. In particular, there is reason to think the relevant market forces at the valuation dates in 2014 would have been different from the relevant market forces at the times at which these two graphs were prepared; we refer to paragraphs 28 to 32 of Appendix B in this respect, the significance of which as regards the graphs is further explained in Appendix C. In this way, there is reason to believe that the relativities shown by these two graphs are igher than appropriate for the market which existed at the valuation dates.

18. In *Denholm v Stobbs* at paragraph 78 the Upper Tribunal stated the following:

However we also endorse the Tribunal's findings in Sloane Stanley, that whilst the Gerald Eve graph is the most reliable (or at least the least least- reliable graph), it is only a starting point.

19. In his report Mr Cooper also highlighted the fact that relativity graphs based on 2015 data were available on line with an average relativity of 82.61% and 82.7% for Gerald Eve. Overall however Mr Cooper's view as expressed at paragraph 5.4 of his report was that graphs of relativity should be treated with a considerable degree of caution as they do not take into account any transactional evidence from Wales.

20. Mr Cooper instead relies on transactional evidence involving agreements reached as to the premiums payable for statutory extended leases. In particular he relies on an agreement reached in May 2014 for a statutory extended lease on a one bedroom second floor apartment at 113 Willow Court which is in a block adjacent to the premises where the relativity agreed was 82 %.

21. At the hearing both experts were given the opportunity of expanding on their reports. Mr Cooper sought to rely in addition on a case in which he had provided expert evidence recently, namely 15 Fordwell, Llanddaff, Cardiff, CF52EU where the

comparable used by him had been 19 Fordwell. He had argued that the comparable property had in effect been sold without the benefit of Act rights because it was sold by a deceased's estate and had been unoccupied for some time prior to sale, an argument that was partially accepted by the Tribunal in setting the unimproved value of the existing lease at £167700. Mr Evans had not previously been supplied with this authority but was given the opportunity to adjourn in order to read it. He decided instead to "speed read" it during the hearing.

22. In relation to the property at 113 Willow Court Mr Evans highlighted that the property was a one bedroom property and not a bedsit. The Willow Court property was substantially bigger than the premises (42 square Meters in comparison to 21.1 square Meters). Mr Cooper accepted that the sale price had been reduced because the tenant had reconfigured the property.

23. In his report Mr Cooper states that in the case of 113 Willow Court the relativity agreed was 82 %. The leasehold owner of that premises (Sian Diaz) who agreed the terms he said was a Chartered Valuation Surveyor. In a letter from Mr Evans to the Tribunal dated 4th November 2016 he challenged whether Sian Diaz was a Chartered Valuation Surveyor but stated that she was in fact a Chartered Planning and Development Surveyor. The Tribunal thought it proper to seek any comment from Mr Cooper in relation to this challenge to the credibility of his evidence. A response was duly received dated 16th November 2016 and Mr Evans replied to that letter on 18th November 2016. The content of this correspondence is largely irrelevant to these proceedings and the Tribunal has had little regard to it as it all post dated the hearing.

Analysis

24. The Tribunal was faced with very limited evidence on either side. It was common ground that there were no direct comparables that could be relied upon. Mr Cooper sought to persuade the Tribunal that graphs of relativity were at best a starting point however in a case such as this where evidence is so limited it is hard to work out where one goes after starting. It has been recognised that relativity is best established by doing the best one can with such transaction evidence as may be available and graphs of relativity: *Nailrile Ltd v Cadogan* [2009] 2 E.G.L.R.151 at [228].

25. In the present case we were effectively comparing Mr Evans' favoured graph against Mr Cooper's transaction evidence at 113 Willow Court. We have concerns about the latter evidence aside of the issue about Ms Diaz's expertise. There is no basis on which the Tribunal can arrive at an understanding of why settlement was reached in that case. As Mr Evans pointed out during the hearing there may have been a Delaforce effect, we simply do not know. In addition the property at 113 Willow Court was substantially bigger than the premises. We derived no assistance from the case of 15 Fordwell which was produced on the day of the hearing by Mr Cooper. In that case the Tribunal were considering different matters.

26. In contrast we found Mr Evans' evidence to be compelling, clear and reliable. Whilst it is not always the answer to rely solely on the use of graphs, in this case it was necessary. We find no reason to depart significantly from the evidence that he derived from the graph he produced.

27. However we do not agree with Mr Evans that there should be a deduction of 5% pursuant to Schedule 10 of the Act. He relied on the case of 34 Ryder Street (LVT/0010/0715) where a "Clarice Deduction" of 5% deduction was made. That was a case involving the purchase of a freehold interest pursuant to Leasehold Reform Act 1967 where there were only 26.25 years of the lease remaining. Reference was made in that case to 2 other decisions in *33 Maes Deri, Winch Wen Swansea, SA1 7LW* (LVT/0084/02/15) and *18 Kimberley Road, Penylan, Cardiff CF235DH* where the remaining terms were 44 years and 57 years respectively. In the present case the remaining term is 62.84 years.

28. The Tribunal is aware (and it was shared with the parties) that in Hague on Leasehold Enfranchisement Sixth Ed at Chapter 33 ((Para 33-07) it is stated that the discount under Schedule 10 will arguably be nil, or at a rate much lower in the case of an assured tenant than in the case of a statutory tenant at a fair rent. The chapter also cites the fact that in 10 LVT decisions no reduction had been made although there had been four in which a discount of between 1% - 5% had been made from the value of the freehold interest.

29. The application of the deduction in Tribunal cases appears relatively random. Mr Evans did not make out a case for its application other than referring to cases in which it had been applied. The Tribunal does not apply a deduction for Schedule 10 of the Act.

30. We have set out our calculations in the attached spreadsheet. It is our determination on the facts of this case, that a premium of **£5890** should be paid.

The service charge issue

31. On this issue the Tribunal was assisted by skeleton arguments produced by both sides, an agreed list of issues and a Scott Schedule. At the start of the hearing the issues were narrowed down to the following:

    1. Were service charge demands sent at the required time and in the required form?

    2. Was LTA 1987, s.47 complied with?

    3. Is the amount for insurance for year ended 5/4/08 reasonable? This issue was conceded by the Applicant's Counsel during the hearing.

    4. Are the amounts claimed for management fees for 2010 ; 2011;2012;2013;2014 and 2015 reasonable?

    5. Was the amount claimed for future maintenance for year ended 5/4/09 reasonable?

The Applicant's case

32. The Applicant, Mr McMullen says in his witness statement that when he bought the premises on 8th September 2004 he had no knowledge of leases, ground rent or service charges and was not told by his solicitor about these matters. He says he thought he owned the property outright without any additional costs. He says it therefore came as a complete surprise when 8 years after purchasing the premises he was suddenly contacted by Gary Hall of Clearwater Property Limited stating that he owed them £3000 for backdated service charges. There is an email from Mr Hall to

Mr McMullen at page 134 of the bundle which states "Again the accounts along with the prescribed notice and demand to comply with the Leasehold Reform Act 2002 have been sent to the property address". This was apparently sent in response to an email from Mr McMullen at page 136 which stated that "Clearwater never sent any demands for payment until 2012". It is Mr McMullen's case that he didn't receive any demands for service charges. He did admit in his oral evidence however that neither he nor his solicitors had informed the freeholder of his purchase which raises the distinct possibility that any demands if they were sent were sent to the previous leaseholder.

33. In his witness statement Mr McMullen then states that he received an undated letter from Lakeside and Llandough Development Limited stating a new amount was owed dating back to the purchase date but with no breakdown of dates . He had asked for breakdown (his letter dated 10th September 2015 was handed up at the hearing) but had not received this. He says that a demand was sent to his solicitors on 7th April 2016 for the full amount due during his ownership (page 45) but that no detail was provided as to how the total figure was broken down.

34. In his oral evidence the applicant confirmed that the premises had been tenanted the whole time he had owned it. He said his tenants had not passed on any correspondence from the freeholder to him. He said Loosemores Solicitors had acted for him when he bought the premises. He had bought the premises as an investment. He couldn't recall if he had been sent sale particulars when he purchased the premises. He had rented property previously and was currently occupying a Housing Association flat where he paid a service charge. He didn't think about who might be cleaning the block or cutting the grass at the premises. He had no recollection of anyone painting or carrying out repair works. He hadn't thought about who was insuring the block.

35. Mr McMullen did say that he had owned another property in Cardiff Bay which he had bought with his brother. He let it out and he paid a service charge on it. He had bought it in 2010. He never defaulted on the service charge at that property. He accepted that his ownership of the Cardiff Bay property ought to have prompted him to wonder who paid the service charge at the premises. He expected someone to contact him about the service charge.

36. The evidence on behalf of the Respondents was given by Stephen Fyles of Fenleys Chartered Accountants and Gary Hall of Clearwater Property Company.

37. Mr Fyles presented the Respondents' service charge accounts which are set out in the bundle at pages 141 - 153. He was cross examined at some length by Mr Morse.

38. Gary Hall is a Director of Clearwater Property and was a Director of the Respondent company between 30th April 2008 and 5th March 2015. He was responsible for service charges between 2009-2015. On 1st March 2015 Clearwater his company demerged from the Respondents and he ceased involvement with the property. From April 2015 Graham Clapton, Director of the Respondent company took over control. Gary Hall is the Son in Law of the current owner of the Respondent company. They have fallen out. Neither he nor the Respondent's solicitors were able to produce much in the way of the documentation. Either copy documents do not exist or they have been lost. Gary Hall says since the demerger he no longer held any documents relating to the premises. However he does maintain in his witness statement that

demands for service charges were sent to the premises each financial year. The demands he says were in the format at page 132 (a demand for a different property).He also says in his witness statements that the summary of rights and obligations in English were served with the relevant demands. The Welsh version had only been sent in 2016.

39. Mr Hall states that the demands were sent to the premises for the attention of the previous leaseholder because Mr McMullen had not notified the freeholder of his purchase. Clearwater had been alerted to the situation in 2012 when they had found one of Mr McMullen's tenants at the property.

40. In relation to the management fee Mr Hall states that there is an express provision in the lease for a contribution towards a managing agent (Clause 5(9)). He says he instructed Mike Smith of MJ Smith Estates to carry out the management of the premises between 2004 and 2009. In 2009 Mike Smith died and his wife took over MJ Smith Estates.

41. In his oral evidence Mr Hall sought to explain the rise in future maintenance in 2009. He said that there were maintenance issues with the blocks in particular the roofs. They had replaced a few roofs in Beech Court and there had been significant bills on other blocks. He wanted to build in a contingency and make provision. He accepted however that there was no sinking fund and he did not have a 5 year maintenance survey undertaken, from which to base any annual sinking fund amounts. He simply relied on the expenditure on other blocks. He said that the management fees were time based. He had improved the situation when Mike Smith died. He had changed the cleaning regime and added window cleaning and he carried out bi - monthly checks.

42. It became clear during Mr Hall's evidence that he was also a Director of MJ Smith Estates although the relationship between them and the Respondent company was not at all clear. MJ Smith did not keep files according to Mr Hall. The pre-existing files came back to Clearwater.

43. Mr Hall said that along with the demands sent to the leaseholder the accounts prepared by Stephen Fyles were attached. He admitted in evidence that he could not say with certainty that at the relevant time he was aware of the time limits to send service charge demands.

The law

Reasonableness of service charges

44. LTA 1985, s.19 states the following:

> 19.— Limitation of service charges: reasonableness.
>
> (1) Relevant costs shall be taken into account in determining the amount of a service charge payable for a period—
>
> (a) only to the extent that they are reasonably incurred, and
>
> (b) where they are incurred on the provision of services or the carrying out of works, only if the services or works are of a reasonable standard;
>
> and the amount payable shall be limited accordingly.

(2) Where a service charge is payable before the relevant costs are incurred, no greater amount than is reasonable is so payable, and after the relevant costs have been incurred any necessary adjustment shall be made by repayment, reduction or subsequent charges or otherwise.

18 month limitation

45. LTA 1985 s 20B states the following:

20B.— Limitation of service charges: time limit on making demands.

(1) If any of the relevant costs taken into account in determining the amount of any service charge were incurred more than 18 months before a demand for payment of the service charge is served on the tenant, then (subject to subsection (2)), the tenant shall not be liable to pay so much of the service charge as reflects the costs so incurred.

(2) Subsection (1) shall not apply if, within the period of 18 months beginning with the date when the relevant costs in question were incurred, the tenant was notified in writing that those costs had been incurred and that he would subsequently be required under the terms of his lease to contribute to them by the payment of a service charge.

Notices to accompany service charge demands

46. LTA 1985, s.21B states the following:

21B Notice to accompany demands for service charges

(1) A demand for the payment of a service charge must be accompanied by a summary of the rights and obligations of tenants of dwellings in relation to service charges.

(2) The Secretary of State may make regulations prescribing requirements as to the form and content of such summaries of rights and obligations.

(3) A tenant may withhold payment of a service charge which has been demanded from him if subsection (1) is not complied with in relation to the demand.

(4) Where a tenant withholds a service charge under this section, any provisions of the lease relating to non-payment or late payment of service charges do not have effect in relation to the period for which he so withholds it.

(5) Regulations under subsection (2) may make different provision for different purposes.

(6) Regulations under subsection (2) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Tribunal

47. LTA 1985, 27A states the following:

Liability to pay service charges: jurisdiction

(1) An application may be made to [the appropriate 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.

(2) Subsection (1) applies whether or not any payment has been made.

(3) An application may also be made to [the appropriate tribunal] for a determination whether, if costs were incurred for services, repairs, maintenance, improvements, insurance or management of any specified description, a service charge would be payable for the costs and, if it would, as to—

(a) the person by whom it would be payable,

(b) the person to whom it would be payable,

(c) the amount which would be payable,

(d) the date at or by which it would be payable, and

(e) the manner in which it would be payable.

48. The Landlord and Tenant Act 1987,s47 states the following:

47.— Landlord's name and address to be contained in demands for rent etc.

(1) Where any written demand is given to a tenant of premises to which this Part applies, the demand must contain the following information, namely—

(a) the name and address of the landlord, and

(b) if that address is not in England and Wales, an address in England and Wales at which notices (including notices in proceedings) may be served on the landlord by the tenant.

(2) Where—

(a) a tenant of any such premises is given such a demand, but

(b) it does not contain any information required to be contained in it by virtue of subsection (1),then (subject to subsection (3)) any part of the amount demanded which consists of a service charge [or an administration charge] 1 (“the relevant

amount") shall be treated for all purposes as not being due from the tenant to the landlord at any time before that information is furnished by the landlord by notice given to the tenant.

(3) The relevant amount shall not be so treated in relation to any time when, by virtue of an order of any court [or tribunal] 2 , there is in force an appointment of a receiver or manager whose functions include the receiving of service charges [or (as the case may be) administration charges] 1 from the tenant.

(4) In this section "demand" means a demand for rent or other sums payable to the landlord under the terms of the tenancy.

Analysis

Were service charge demands sent at the required time and in the required form?

49. In this case there was no direct documentary evidence to satisfy the Tribunal that demands were sent between 2004 and 2015. It is plainly unsatisfactory that the Respondents who are purporting to defend a claim that they have not sent out demands have produced nothing of note to counter this allegation save for a copy of a demand that was supposedly sent to a different property. Mr Hall was placed in an extremely difficult position because he was seeking to defend his actions without having any supporting evidence and apparently without being assisted by his father in law or the Respondents themselves who are the only parties who may have access to the relevant documents if indeed they exist. We are concerned also that Mr Halls' explanations about the involvement of MJ Smith Estates and indeed his own involvement with this firm were unclear. In addition it appears somewhat extraordinary that this firm kept no records.

50. In light of this pitiful presentation of documentary evidence the temptation for the Tribunal to simply allow the application in totality was strong. However we consider that in relation to the crucial issue of whether demands were sent out at the relevant times Mr Hall gave an honest account. He said that they were sent out with the accounts prepared by Mr Fyles. It is clear that these accounts were prepared at the relevant times. It is also clear from the maintenance contribution summaries at page 16-27 of the bundle that the majority of leaseholders in the same block were paying regularly and on time which is at least circumstantial evidence that they were being sent demands to pay.

51. In contrast we found Mr McMullen's evidence somewhat incredible. He accepted that neither he nor his solicitors had notified the Respondents that he had purchased the premises. Whilst this may have been the fault of his solicitors it provides at least a partial explanation for why he hadn't received demands. It is also difficult to believe that he had no inkling that a service charge was due when he had purchased a flat in a block. He couldn't recall if he had been sent sale particulars. It seems very likely that he would have been and that these would have outlined the service charge due. At the very least even if he had not previously been prompted by the fact that the building should be insured, the common parts repaired or the grass cut, he should have been prompted by the fact that he paid a service charge at his own home and at his other property in Cardiff Bay.

52. The Tribunal considers it more likely than not that demands were sent at the relevant times. They would have been sent in the name of the previous leaseholder. It is clear at least from 2007 onwards that the demands were not in the required form. On Mr Hall's admission they did not have the Welsh translation of the summary of rights and obligations. In order to satisfy LTA 1985, s.20B the demands do not need to be in the requisite form. However they do in order to satisfy LTA 1985, s21B. The demand sent on 7th April 2016 to the Applicant's solicitors (containing a service charge invoice sent to the Applicant at the premises) for the full amount due since 2004 attaches the summary of rights and obligations in English and Welsh. There was a discussion during the hearing as to whether this demand was sufficient to comply with s.21B as the sums claimed are cumulative rather than a collection of individual demands for each year. Neither counsel identified any authority on this point. The Tribunal considers that the cumulative demand is sufficient to comply with s21B. This was a demand for the payment of a service charge albeit it repeated previous demands made. The previous demands had not contained the requisite information but this demand did. The requirement for payment is suspended until s21B has been complied with. It has now been complied with and payment is due. In addition we accept Mr Hughes' submission that a breakdown of the amount claimed was sent each year with the demand because Mr Fyles' accounts were attached to the demand.

Was LTA 1987, s.47 complied with?

53. The demand sent on 7th April 2016 on its face complies with s.47. It contains the name and address of the landlord. Again the Tribunal finds that this is sufficient compliance.

Are the amounts claimed for management fees for 2010 ;2011;2012;2013;2014 and 2015 reasonable?

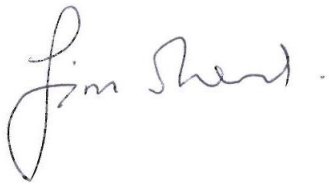
54. The essence of the Applicant's challenge was that the management fees appeared random from year to year. The Tribunal accepts this criticism however Mr Hall's evidence was considered to be generally reliable and honest, albeit that there was again a dearth of documentary evidence. Doing the best we can the management fees charged in 2010,2011,2012,2014 and 2015 are reasonable. Prior to 2010 the management fees were artificially low. We will allow £1400 for 2013 because we consider that the amount claimed of £2428.57 to be excessive.

Was the amount claimed for future maintenance for year ended 5/4/09 reasonable?

55. The sum claimed was £2000 as a provision for future maintenance. Whilst Mr Hall did his best there were no real credible reasons for such a claim. There was no evidence provided of liabilities incurred that would justify such an increase. We won't allow this sum.

56. It was accepted by the parties that the total amount claimed was £4355.26 (page 15) . The deductions we have made above amount to £86 for the Applicant's share of the 2013 management fees and £167 for his share of the future maintenance charge in 2009. This means that the sum due is **£4102.26**.

Dated this 2nd day of December 2016



Legal Chairman

123 Laburnum Court, Woolaston Avenue, Cardiff

Term

Ground Rent	£ 20.00	
		£
Y. P. for 62.84 years at 6.5 %	15.0905	301.81

Reversion

Extended Lease Value	£ 68290	
P. V. of £1 in 62.84 years at 5 %	0.0466	£ 3182.31
		£
Freeholders Interest		3484.12
	Say	£ 3484

Marriage Value

Long Leasehold Value		£ 68290	
Current Lease Value	£ 60000		
Landlords Interest	£ 3484	£ 63484	
		£ 4806	
At 50 %		£ 2403	£ 2403
			£ 5887
		Say	**£ 5890**