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**LEASEHOLD VALUATION TRIBUNAL
LONDON RENT ASSESSMENT PANEL**

REFERENCE: LVT/SC/007/120/02

AN APPLICATION MADE UNDER SECTION 19(2B) OF THE LANDLORD
AND TENANT ACT 1985 AND THE HOUSING ACT 1996

APPLICANT: STEEL SERVICES LTD (LANDLORD)

RESPONDENT: MS N K DIT-RAWE (ONE TENANT AT
No. 3 JEFFERSON HOUSE)

PREMISES: JEFFERSON HOUSE
11 BASIL STREET
LONDON
SW3 1AX

In the matter of: Proposed Repairs and Redecoration and Services
Repairs and Renewals

EXPERT REPORT/PROOF OF EVIDENCE

PREPARED BY:

Brian Gale B.Sc. M.R.I.C.S.
Landlord's Expert Witness (Surveyor)

IN RESPONSE TO THE RESPONDENT'S SURVEYOR EXPERT REPORT
PREPARED BY MR T BROCK B.Sc. (HONS) MRICS AND DATED
24TH FEBRUARY 2003

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SECTION 2

Chronology of Events

- 2.01 Following an Application to the LVT by the Landlord via their Managing Agents, Messrs Martin Russell Jones, in accordance with Section 19 (2B) of the Landlord and Tenant Act 1985, a Pre-Trial Review was held at the LVT and Chaired by Mr J C Sharma JP FRICS. Unusually, this Pre-Trial Review lasted some two hours because Mr Sharma spent a great deal of time explaining carefully to the Respondents (of which there were five, including Ms Dit-Rawe) because they had no Expert or Professional representation.
- 2.02 The Respondents present (and who were at that stage objecting to the Application), which comprised five Lessees whose names were listed on the Pre-Trial Review Notes and Directions by Mr Sharma, were raising a wide range of issues. However, Mr Sharma explained to them that the **only** matter which the Tribunal were there to determine was the "reasonableness of the refurbishment and repair work and the cost", and no other issues.
- 2.03 At this stage, of 35 flats within the block, 11 Lessees had already paid the relevant Service Charge, a further 10 had partly paid and had promised to pay the balance and were not in disagreement. Of the remaining tenants, only the 5 attending as Respondents had indicated any objection to payment of the Service Charge, reasonableness of the works or their cost. *Not true
As evidence
by Cpt
Action*
- 2.04 At the Tribunal Hearing, and having established the specific reason for the Tribunal's involvement in this Application, some of the 5 Lessees indicated that they had not received, or seen, copies of vital documentation. In particular, the Schedule of Condition with Photographic Schedule prepared on the building by Brian Gale and Associates, the un-priced or priced Specification and Schedule of Works by Killby and Gayford, even though these documents had, through the middle to latter part of 2002, been deposited at the porters desk in the entrance, freely available for all Lessees to view. Furthermore, during that period, Brian Gale and Associates had received direct requests from tenants to produce further and additional copies. This had been done at a modest charge and sent directly to the Lessees who had so requested them. *Determined
on 5th Feb
that priced
specs were
not available*
- 2.05 Ms K Dit-Rawe was at the Pre-Trial Hearing on the 29th October 2002.

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2.06 Mr Sharma suggested that, in order for the Lessees to more clearly understand the nature of the proposed works, the pricing of the Tender documentation and subsequent amendments and so that the Lessees could request any document that they still were not in possession of, it would be favourable for the Landlord and their Managing Agents to arrange an Open Forum and notify all Lessees to attend (in particular, the 5 Respondents at this Hearing) in order that further documentation and explanation could be provided.

2.07 To that end, Martin Russell Jones arranged an Open Forum and meeting at the Basil Street Hotel (diagonally opposite Jefferson House) in a large conference room on 14th November 2002 inviting all Lessees (in particular those Respondents that attended the Pre-Trial Hearing). At this meeting I personally attended, bringing with me all of the relevant documentation, in particular and including, the Schedule of Condition, Photographic Schedule, Specification of Works with fully priced Tender and subsequent amendments. At this meeting, various questions were asked and copies of these documents were requested and provided to the relevant tenants who had requested them. Although these tenants would have had every opportunity of seeing these documents when deposited at the porters desk in July/August 2002, further copies were provided without question as the objective was to alleviate any misunderstanding or concerns that the remaining objecting residents/Respondents had.

As per my response

And they were using all residents in Dec 02!

2.08 Ms K Dit-Rawe did not attend this meeting. I am advised, by Martin Russell Jones, that she was formally invited in writing.

3 day notice!

2.09 The result of this was that, (and as far as I am aware and advised by Martin Russell Jones) 4 of the 5 objecting Respondents who attended the Pre-Trial Review on the 29th October 2002, were now not objecting any further and had agreed to pay, or had paid, the relevant increased Service Charge. No word was heard, one way or the other, from Ms Dit-Rawe.

Absolutely not true!!

2.10 The Tribunal will of course be well aware of the events at the Tribunal Hearing on 5th February 2003, Ms Dit-Rawe, represented by Counsel, stated that she had still not been in receipt of vital documents in order to be able to consider, or properly assess, the reasonableness of the proposed works or the reasonableness of the cost of these works. A copy of my Expert Report to the LVT dated 13th December 2002, in accordance with Mr Sharma's Directions, was sent, by First Class Post, direct to Ms Dit-Rawe (in addition of course, to the Tribunal). No response was received, nor at any time has any request been received from Ms Dit-Rawe for the documentation which, she alleges, she has not had an opportunity to see or study.

Lie, lie!! they were handling after 18 Dec

2.11 I must say that I find the statements made by Ms Dit-Rawe's Counsel on 5th February 2003 astonishing, but fully respect the Tribunal's position in being faced with a request for an Adjournment under the

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circumstances. However, I felt that it is my duty to the Tribunal to explain very clearly, the procedure and the opportunities afforded to Ms Dit-Rawe throughout this entire procedure (from the receipt of Tenders back in April 2002 onwards) to receive all, and any, documentation that she required to satisfy herself as to the position.

The
Lying
Knows
no bounds!

- 2.12 As a result of the Adjournment of course, I am now required to respond in full to the Expert Report prepared by Mr Brock and this I, of course, do.

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SECTION 5

Summary

5.01 I would like to draw to the attention of the Tribunal, that I am advised by the Managing Agents, that now some 31 of 35 tenants have paid, either in full or substantial contributions, toward the cost of the proposed works.

Really?
How explain
the County Court proceedings?

5.02 It would therefore appear, and following on from the representations at the Pre-Trial Review with Mr Sharma on 29th October 2002, that only one lone tenant continues to make any representation or objection of the 35 tenants.

LIE!

5.03 Even if there were any justification (which is robustly denied) in the Expert Report of Mr Brock on behalf of this Respondent, to the amendment, or re-tendering, to revise agreed Schedule of Works, it should be noted that this will have significant and unacceptable consequences, not only on the other tenants, but to all parties concerned.

Blame should not be Addressed to me!

5.04 The vast majority of the tenants in this block have been fully and completely consulted throughout all stages of the procedure, are in full and complete agreement and have paid substantially, or entirely, for the works and improvements to take place. I understand furthermore, that there is a significant desire by these tenants for these works to commence as soon as is practically possible.

!!!

5.05 The proposed process by Mr Brock of the amending and re-tendering procedure would be time consuming, expensive and entirely prejudicial to the majority of tenants who, as stated above, have paid or substantially paid, and in any event are in agreement with the scope and extent of the works.

5.06 In this respect, (and aside from Professional Fees incurred in the contentious Tribunal proceedings) any cost savings from the original tendering procedure will, undoubtedly, be more than absorbed by the continuing delays and efflux of time.

5.07 The effects of inflation and increased costs from the Contractors will outweigh any advantages of trying to trim back the extent of proposed works to gain advantage of the present situation. In this regard, may I respectfully refer the Tribunal to the Appendix F, where Killby and

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Gayford are confirming increased costs due to further and continuing delays.

5.08 There is a significant possibility that the present preferred Main Contractor will not wish to be inconvenienced further. Killby and Gayford are well known to me in my lengthy career in the building industry, they are extremely reputable and high quality Contractors with an excellent CV and recommendation. In my honest opinion, it would be a blow to the Lessees if the opportunity to use the Contractor preferred (and with the lowest costings) was lost. In such circumstances, I would respectfully draw to the attention of the Tribunal that the next tender price is approximately £120,000 higher (and that is without any increase costs to that tender as the tenderers have not been approached for nearly a year). It should also be noted that any alterations (revision of tender and re-tendering etc) could well cost the tenants significantly more for no reason and for a less satisfactory finished product.

5.09 Jefferson House, whilst properly managed, has had very little, or significant, upgrading or refurbishment for very many years. It is a block adjacent to Harrods and in one of London's premier residential locations. It is clear, upon its face, that the building is in dire need of significant works to bring it up to a more modern standard and a proper, fit and substantial state of repair.

5.10 By carrying out these major works, the long term fabric and structure of the building will be preserved and the necessity for future expensive maintenance on an annual basis, completely avoided.

5.11 It will, undoubtedly, improve the value of the individual flats and this, coupled with the lower Service Charges for the future and a safe (vis-à-vis fire precaution, security works, etc) refurbished block, must be to all of the tenants' advantages, in terms of the enjoyment, value and investment in their property. It is no surprise, therefore, that over 31 of 35 tenants are either, in agreement, have paid in full, or paid in part with a pledge to pay the balance.

So, why me? Mem?

5.12 It is my honest opinion that any attempt to save a modest sum of money in the short term by curtailing the extent of the works or Specification will, in the long term, be regretted. (The expression "penny wise ~ pound foolish" is entirely applicable in these circumstances, I believe).

5.13 All of the works scheduled at present will need to be carried out with significant overlapping and duplication of costs if the works is phased over many years. This will be prejudicial to every tenant in the block and will also cost more money.

5.14 I fully appreciate that the Respondent from Flat 3 (Ms Dit-Rawe) does not directly benefit from such items as the lift, the roof and other

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external defects, which are of course located well away from her particular property. Nevertheless, there is of course, an obligation upon all of the tenants to contribute to the proper upkeep of the building, irrespective as to the location of their flats within the building, and notwithstanding this, they should not be inconvenienced by the present situation. Again, I confirm that it is my Professional and honest opinion, that the works should proceed as tendered and priced, albeit under full and proper cost control by using a proper JCT Contract, containing all of the contractual obligations and financial cost control tools.