



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

**Case reference** : **NAT/LON/00AC/OC9/2023/0012**

**Property** : **Flat 2, Hurcott, 30 Somerton Roads, London NW2 1UX (“the Property”).**

**Applicant** : **Freehold Managers (Nominees) Limited**

**Representatives** : **Bolt Burdon**

**Respondent** : **Mrs M. Nornejadghalehjogh**

**Representatives** : **Leasehold Law**

**Type of application** : **For a determination of the statutory costs under section 60 of the Leasehold Reform, Housing and Urban Development Act 1993**

**Tribunal members** : **Ian B Holdsworth FRICS MCI Arb**

**Date of decision** : **4 May 2023**

---

**DECISION**

---

**Decision**

**Pursuant to section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 statutory costs of £2,169 inclusive of VAT are payable by the tenants to the landlord for legal fees and £780 inclusive of VAT for valuer fees.**

## **The application**

1. By their application received on 13 July 2016 the landlords sought a determination under section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) of the landlord’s statutory costs incurred in an abortive lease extension claim.
2. Standard directions were issued which stated that the application was suitable for determination on the basis of written submissions and without an oral hearing but they informed the parties of their right to request an oral hearing. No such request was received and accordingly we have determined the statutory costs on the basis of the written submissions and other documents included in the comprehensive document bundle that was submitted in accordance with the directions.

## **Background**

3. By an initial notice dated 19 December 2019 the tenants claimed the right to acquire a new lease of the flat at a premium price of £6,800.
4. The landlord’s counter-notice is dated 20 February 2020. The counter-notice admitted the tenants’ claim but proposed a premium price of £12,800. The premium was agreed at £9,875.
5. The terms of the new lease were agreed between the parties on 23 December 2020 and an engrossment was issued to the Respondents solicitors on 4 January 2021.
6. The Respondent’s former solicitors did not return a signed engrossment to the Applicant or on the face of it make any attempt to finalise the grant of the new lease. The Applicant asserts that the Notice of Claim was deemed withdrawn on 23 April 2021 as the Respondent had failed to make an application in accordance with section 48(3) of the 1993 Act.
7. The Applicants solicitors made subsequent efforts to seek confirmation that the Notice of Claim is deemed withdrawn but none was received. On or around 20<sup>th</sup> July 2021 the Respondent’s son confirmed to Bolt Burdon solicitors that the solicitors acting on their behalf, Leasehold Law, had gone into Administration and had ceased trading operations. Despite suggestions from the Respondent’s son they would instruct new solicitors none were appointed by the tenant applicants.
8. It is now accepted the tenants’ application pursuant to Section 48 was not lodged within the time limit prescribed in the above mentioned section and as such the tenants’ notice was deemed withdrawn.

9. No agreement in respect of the statutory costs payable by the applicant has subsequently been reached. The Applicants made to the First Tier Tribunal Property Chamber dated 20 August 2020 an application to determine the matters in dispute arising from an application under Section 48(1) of the Act. This Statutory Costs determination is now made as part of that application. The request to determine costs pursuant to the 20 August 2020 submission was made by letter to tribunal dated 17<sup>th</sup> April 2023.
10. The relevant legal provisions are set out in the Appendix to this decision.

### **The claimed costs**

11. In response to the Tribunal's directions the landlord provided a schedule of costs suitable of summary assessment. The schedule is detailed and records the time spent on different tasks in minute units. All the work was undertaken by appropriately skilled legal staff. The partner is a Grade A solicitor whose time is charged at £400 plus VAT per hour. The associate is charged at a rate of £360 per hour and the solicitor at £280 per hour. A Leasehold Reform Executive also undertook some of the work at charge rates of between £195- £215 per hour.
12. By the application of the hourly rate to the time spent the schedule seeks to justify the following costs exclusive of VAT:-

Legal fees: £1,800 plus VAT

Valuer fees: £680 plus VAT

13. The Respondents have submitted no challenge to the hourly fee rates or time allocated to the statutory work. They also do not dispute the valuer fees or disbursements.

### **The Tribunal's Determination**

14. The Applicant has provided a detailed schedule of the work undertaken in responding to the notice. The basis of the fees charged by the solicitors to their client is by reference to the time spent by the relevant fee earners. The solicitors are based in Central London. Legal staff in the Leasehold Reform department conducted the work and charged rates between £215- £400 per hour.
15. We accept that the Applicant was entitled to instruct Bolt Burden solicitors and that the rates charged are consistent with the usual charge out rates for solicitors in Central London.

16. After review of the schedule the work shown is considered appropriate for the complexity of the lease extension application. It is also determined that the complexity of the tasks required a high skill level commensurate with the staff instructed.
17. The Respondent does not dispute the sum charged by the valuer for the assignment. From tribunal experience and knowledge, a valuation fee of £680 plus VAT for a valuation of this type is both reasonable and fair. It is also consistent with charges made by other Chartered Surveyors undertaking similar work.
18. After careful review of the application the tribunal determine the statutory costs of £2,160 inclusive of VAT are payable by the tenants to the landlord for legal fees and disbursements. A further sum of £780 inclusive of VAT is payable for valuer fees.

**Name: Ian B Holdsworth**

**Date**

**4 May 2023**

## **Appendix A**

### **Leasehold Reform, Housing and Urban Development Act 1993**

#### Section 60

Costs incurred in connection with new lease to be paid by tenant.

(1)

Where a notice is given under section 42, then (subject to the provisions of this section) the tenant by whom it is given shall be liable, to the extent that they have been incurred by any relevant person in pursuance of the notice, for the reasonable costs of and incidental to any of the following matters, namely—

(a)

any investigation reasonably undertaken of the tenant's right to a new lease;

(b)

any valuation of the tenant's flat obtained for the purpose of fixing the premium or any other amount payable by virtue of Schedule 13 in connection with the grant of a new lease under section 56;

(c)

the grant of a new lease under that section;

but this subsection shall not apply to any costs if on a sale made voluntarily a stipulation that they were to be borne by the purchaser would be void.

(2)

For the purposes of subsection (1) any costs incurred by a relevant person in respect of professional services rendered by any person shall only be regarded as reasonable if and to the extent that costs in respect of such services might reasonably be expected to have been incurred by him if the circumstances had been such that he was personally liable for all such costs.

(3)

Where by virtue of any provision of this Chapter the tenant's notice ceases to have effect, or is deemed to have been withdrawn, at any time, then (subject to subsection (4)) the tenant's liability under this section for costs incurred by any person shall be a liability for costs incurred by him down to that time.

(4)

A tenant shall not be liable for any costs under this section if the tenant's notice ceases to have effect by virtue of section 47(1) or 55(2).

(5)

A tenant shall not be liable under this section for any costs which a party to any proceedings under this Chapter before a leasehold valuation tribunal incurs in connection with the proceedings.

(6)

In this section "relevant person", in relation to a claim by a tenant under this Chapter, means the landlord for the purposes of this Chapter, any other landlord (as defined by section 40(4)) or any third party to the tenant's lease.