



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

Case reference	:	LON/00AQ/OC9/2025/0604
Property	:	2 Warwick Court Princes Drive Harrow Middx HA1 4UB
Applicants	:	Brickfield Properties Ltd (Landlord)
Representative	:	Wallace LLP (Solicitors)
Respondents	:	Estate of Kazi Shahidun Nabi (Tenant)
Representative	:	Capital Solicitors Ltd (Solicitors)
Type of application	:	Section 60 of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal Member	:	Mr N. Martindale
Date of determination and venue	:	8 April 2025 at 10 Alfred Place London WC1E 7LR
Date of decision	:	8 April 2025

DECISION

The section 60 costs determined by the Tribunal are £7978.13
Including VAT where applicable

Background

1. This is an application made under the provisions of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) in relation to the prospective extension of the lease of the Property. In their application dated 12 November 2024 the applicants sought determination of the landlords costs under S.60& S. 91 of the Act in response to the tenants earlier Notice of Claim.
2. Standard directions dated 16 January 2025 were issued by the Tribunal office to deal with the application for landlord’s costs under S.60(1). These included requirements for details of the work done: The date, type, description, grade, time, hourly rate, amount; plus any VAT.

Law

3. Section 60 of the Act is reproduced in the Appendix to this decision. for costs arising in the case of lease extensions. Section 33 is also reproduced and deals with costs in the case of freehold purchases.
4. ***S.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;...*
5. ***(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.***
6. ***(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.***
7. The proper basis of assessment of costs in enfranchisement cases under the 1993 Act, whether concerned with the purchase of a freehold or the

extension of a lease, was set out in the Upper Tribunal decision of *Drax v Lawn Court Freehold Ltd* [2010] UKUT 81 (LC), LRA/58/2009. That decision related to the purchase of a freehold. The costs incurred by the landlord of obtaining professional services, in responding to a claim must be reasonable and have been incurred in dealing with the Notice and any subsequent transfer. The same approach applies to lease extensions.

8. Those landlord costs incurred and arising from the claim for a new lease must be for the purposes listed in the Act, only, under S.60 (1)(a - c). The tenant is also protected by section S.60 (2). Both sub-sections effectively limit recoverable costs to those that the landlord would be prepared to pay if it were using its own money rather than being paid by the tenant.
9. In effect, this introduces what was described in *Drax* as a “(limited) *test of proportionality of a kind associated with the assessment of costs on the standard basis.*” It is also the case, as confirmed by *Drax*, that the landlord should only receive its costs where it has explained and substantiated them. Furthermore, when a court is determining costs, and where there is any doubt, the benefit should be resolved in favour of the paying party, CPR44.3 (2)(b).
10. It does not follow that this is an assessment of costs on the standard basis (let alone on the indemnity basis). This is not what S.33 or S.60 says, nor is *Drax* an authority for that proposition. Both sections are self-contained.

Applicant’s Case

11. The Tribunal received details of the costs as Directed, from the applicant landlord. The schedule summarised these in 36 unnumbered items arranged in date order incurred, oldest first. There was no reference to which of the 3 parts of S.60(1) were being referenced save to say that none appeared to the Tribunal to have been claimed in respect of sub-section (1)(c), the claim having not proceeded that far.
12. The applicant’s costs are broken down as: Legal (for which there is considerable detail), Land Registry, Courier fees, Valuation, Counsel. VAT is sought on all items.
13. The applicant refers to the longstanding advice to and agency for them as provided by Wallace LLP, that most of the work is undertaken by high level Grade A solicitors at Partner level. They reference many cases involving their action and costs sought of notable cases for leasehold enfranchisement where their actions and pricing were approved on each occasion on determination by the Tribunal.

14. The applicant draws attention of the Tribunal to the failure by the respondent to file detailed replies in general and to each unnumbered item of legal cost in particular as Directed. The Tribunal notes that such brief response as was filed by the tenant's representatives was late and generalised and maintained that it must be ignored entirely.

Respondent's Case

15. The Tribunal received a short 2 page A4 format statement from the tenant's representatives. It made general submissions on the costs being excessive. It was received late by the applicant only a day before the applicant was to provide the combined bundle. The respondent's statement was only made in general terms. No comparative cost representations or detailed arguments against the applicant landlord's costs were made.

Decision and Reasons

16. The Tribunal found that the respondents did not comply with the Directions, filed late and did not submit any case of substance. Such representations made, were of little assistance.
17. The Tribunal reviewed the items, time spent, the hourly rate and the resulting professional costs incurred by the landlord especially those from the solicitors to the landlord. The Tribunal approves the hourly rate charged for a Grade A partner level solicitor. Although on the high side, all of the work was undertaken by the principal. These partners are at the top of the profession, completing complex work which is otherwise very familiar to them. Whilst they levy an appropriate rate, the speed with which they can deal with such work is easily beyond that of lesser fee earners. Therefore some of the times claimed have been reduced to

The Tribunal's decision figure is shown in bold type at the end of each item entry. All work undertaken by Partner Grade A at the rate of £575 per hour are approved which is all items except where noted, but times taken and claimed are on occasion reduced. There are 32 items of legal cost. They are described in decimal fractions of 1 hour. Notice of Claim discontinued 29 August 2024. Total landlords costs claimed including VAT is £10,496.56

18. 1. 4.7.24 Considering Notice: 0.50 claimed. Excessive. **0.25.**
19. 2. 4.7.24 Drafting Notice for deposit and title: 02. **0.20.**
20. 3. 4.7.24 Email to valuer: 0.10. Administration. **Nil.**
21. 4. 4.7.24 Email to client: 0.10. **0.10.**

22. 5. 4.7.24 Considering title: 0.20. **0.20.**
23. 6. 4.7.24 Email to valuer: 0.10. Administration. **Nil.**
24. 7. 4.7.24 Considering Order for sale: 0.50. Excessive. **0.25.**
25. 8. 15.7.24 Email to client: 0.2. Excessive. **0.1.**
26. 9. 15.7.24 Call to valuer: Administration. **Nil.**
27. 10. 15.8.24 Email to client: 0.1. **0.1.**
28. 11. 19.8.24 Preparing S.92 Notice. 0.2. **0.2.**
29. 12. 19.8.24 Letter to tenant's solicitor. 0.2. **0.1.**
30. 13. 19.8.24 Instructions to Counsel. 1. Excessive. **0.5.**
31. 14. 19.8.24 Email to clerk. 0.1. Administration. **Nil.**
32. 15. 19.8.24 Email to client: 0.1. **0.1.**
33. 16. 19.8.24 Document filing (£250/hr). 0.3. Admin. **Nil.**
34. 17. 19.8.24 Amend counsel instruction. 0.2. Error. **Nil.**
35. 18. 20.8.24 Call with valuer. 0.2. Admin. **Nil.**
36. 19. 20.8.24 Considering documents TO tenant's rep. 0.3. **Nil.**
37. 20. 20.8.24 Email to client. 0.1. **0.1.**
38. 21. 20.8.24 Email to tenants solicitor. 0.1. **0.1.**
39. 22. 20.8.24 Email to client. 0.1. Excessive **0.1.**
40. 23. 20.8.24 Email to counsel. 0.1. **0.1.**
41. 24. 20.8.24 Calling tenants solicitors. 0.1. **0.1.**
42. 25. 23.8.24 Considering counsel's opinion. 0.8. Excessive **0.4.**
43. 26. 23.8.24 Email to counsel. 0.1. **0.1.**

44. 27. 23.8.24 Email to client. 0.1. **0.1.**
45. 28. 27.8.24 Drafting counter notice. 0.7. Excessive **0.35.**
46. 29. 27.8.24 Letter to tenants solicitors. 0.2. Excessive **0.1.**
47. 30. 27.8.24 Email to client. 0.1. **0.1.**
48. 31. 27.8.24 Email to valuer. 0.1. Admin. **Nil.**
49. 32. 29.8.24 Amending counter notice. 0.30. Excessive. **0.15.**
50. 33. Land registry fee £21 plus VAT. No VAT levied. **£21 NO VAT.**
51. 34. Courier fee £46.13 plus VAT. £46.13. No VAT inv. **£46.13 NO VAT.**
52. 35. Valuation fee £1350 plus VAT. **£1350 plus VAT.**
53. 36. Counsel fee £3000 plus VAT. **£3000 plus VAT.**

Decision on Total allowed (inc VAT, where recoverable) £7978.13

Solicitors fees £2242.50 Inc VAT	£2691
Land Registry £21 NO VAT	£21
Courier £46.13 NO VAT	£46.13
Valuation £1350 Inc VAT	£1620
Counsel £3000 Inc VAT	£3,600

Name: Neil Martindale Date: 8 April 2025

Appendix 1

Leasehold Reform, Housing and Urban Development Act 1993

S.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.

S.33.— Costs of enfranchisement to be paid by tenant.

(1) Where a notice is given under section 13, then (subject to the provisions of this section and sections 28(6), 29(7) and 31(5)) the nominee purchaser shall be liable, to the extent that they have been incurred in pursuance of the notice by the reversioner or by any other relevant landlord, for the reasonable costs of and incidental to any of the following matters, namely—

(a) any investigation reasonably undertaken—

- (i) of the question whether any interest in the specified premises or other property is liable to acquisition in pursuance of the initial notice, or
- (ii) of any other question arising out of that notice;

(b) deducing, evidencing and verifying the title to any such interest;

(c) making out and furnishing such abstracts and copies as the nominee purchaser may require;

(d) any valuation of any interest in the specified premises or other property;

(e) any conveyance of any such interest;

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 the reversioner or any other relevant landlord 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 initial notice ceases to have effect at any time, then (subject to subsection (4)) the nominee purchaser'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) The nominee purchaser shall not be liable for any costs under this section if the initial notice ceases to have effect by virtue of section 23(4) or 30(4).

(5) The nominee purchaser shall not be liable under this section for any costs which a party to any proceedings under this Chapter before [the appropriate tribunal] 1 incurs in connection with the proceedings.

(6) In this section references to the nominee purchaser include references to any person whose appointment has terminated in accordance with section 15(3) or 16(1); but this section shall have effect in relation to such a person subject to section 15(7).

(7) Where by virtue of this section, or of this section and section 29(6) taken together, two or more persons are liable for any costs, they shall be jointly and severally liable for them.

Appendix 2 – Rights of Appeal

1. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) then a written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the Tribunal sends written reasons for the decision to the person making the application.
3. If the application is not made within the 28 day time limit, such application must include a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must identify the decision of the Tribunal to which it relates (i.e. give the date, the property and the case number), state the grounds of appeal, and state the result the party making the application is seeking.