FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	:	**LON/00BJ/OC9/2025/0607**
Property	:	**77 Agento Tower, Mapleton Road, London SW18 4GB**
Applicants	:	**Stefano Perelli and Travis Baker**
Representative	:	**Thackery Williams LLP**
Respondent	:	**The Mayor and Burgesses of the London Borough of Wandsworth (Freeholder)**
Representative	:	**South London Legal Partnership**
Type of application	:	**s.60 costs – Leasehold Reform Housing and Urban Development Act 1993**
Tribunal member(s)	:	**Judge Tagliavini**
Venue	:	**10 Alfred Place, London WC1E 7LR**
Date of decision	:	**7 May 2025**

DECISION

The tribunal's decision

(1) The tribunal finds the following sums are payable by the applicants:

(i) Costs in the sum of £2,656.32 (inc. VAT) to Aviva as per the Statement of Costs dated 27 February 2025 and including valuation fee.

(ii) The tribunal makes no award of s.60 costs in respect of GLA as from the limited evidence provided, it is not satisfied they have been reasonably incurred in accordance with the provisions of s.60 of the 1993 Act

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The application

1. This is an application made by the applicant leaseholders seeking the tribunal's determination as to the reasonable costs payable pursuant to s.60 of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act').

Background

2. In the applicants' Statement of Case the following background was set out:

> The Applicant is the owner of the premises known as FLAT 77 ARGENTO TOWER, MAPLETON ROAD, LONDON, SW18 4GB ("the Premises") and is exercising their right to extend their lease at a premium of £10,750.00 and in accordance with the Leasehold Reform Housing & Urban Development Act 1993 pursuant to Section 39 of the 1993 Act ("the right of qualifying tenant of flat to acquire new lease") and as amended by the Commonhold and Leasehold Reform Act 2002 ("the Act").
>
> By Initial Notice pursuant to Section 42 of the 1993 Act ("the Initial Notice") and dated 18 December 2024 the Applicant was assigned the benefit of the Initial Notice from Sarah-Louise Chitty, who sought to exercise their right to extend their lease of the Premises. 3.
>
> The Initial Notice was served by Messrs. Thackray Williams solicitors acting on behalf of Sarah-Louise Chitty upon the Respondent and various intermediate landlords named in the

notice, at the Addresses therein set out. Service was effected by Special Delivery and has not been disputed.

The benefit of the Initial Notice from Sarah-Louise Chitty was then assigned to the Applicant on 7 February 2024…

The premium and terms of deed were confirmed as agreed by the parties in open correspondence on 22 August 2024 and the form of deed was agreed by the landlord with the tenant, and the intermediate landlords are not a party to that deed…

3. However, the grant of the new lease has yet to be completed due to this dispute about costs and application to the tribunal.

The issues

4. In the application the leaseholders identify the following as persons as intermediate landlords:

(i) AVIVA INVESTORS GROUND RENT GP LIMITED (company registration number 07854928)

(ii) AVIVA INVESTORS GROUND RENT HOLDCO LIMITED (company registration number 070604385)

(iii) SOUTHSIDE NOMINEES NO.1 LIMITED (Co. Regn. No.05462848)

(iv) SOUTHSIDE NOMINEES NO.2 LIMITED (Co. Regn. No. 05462849)

(v) GLA LAND AND PROPERTY LIMITED (company number 07911046)

5. The legal fees in dispute were identified in the application as

£1,500.00 in Legal Fees requested by Wandsworth Council ("Wandsworth")

£3,475.20 in Legal Fees requested by GLA Land and Property Limited. ("GLA")

£540.00 in Legal Fees requested by Southside Nominees No.1 Limited and Southside Nominees No. 2 Limited ("Southside")

£1,807.20 in Legal Fees requested by Aviva

£1,200 in Valuation Fees requested by Wandsworth Council

£1,659.00 in Valuation Fees requested by Southside Nominees No.1 Limited and Southside Nominees No.2 Limited.

£840.00 in Valuation Fees requested by Aviva

The total amount claimed by the landlord is therefore £11,021.40

6. The applicants also set out in the application that they considered the following sums to be appropriate: following sums were appropriate:

Wandsworth's legal fees in full (£1,500).

Southside's legal fees in full of £540.

7. Since making the application, the applicants has become aware that Southside's valuation fees were agreed in open correspondence, and therefore no longer applies for them to be determined. The applicants have has also conceded (in its original application that several of the other fees were reasonable and currently has agreed to pay £4,898.80 towards the combined fees of the landlord and intermediate landlords.

8. Therefore, the amount remaining in dispute are:

(i) £3,475.20 in Legal Fees requested by GLA Land and Property Limited ('GLA');

(ii) £1,816.32 in Legal Fees requested by Aviva (said to have increased to £1,807.20);

(iii) £840.00 in Valuation Fees requested by Aviva.

The hearing

9. An oral hearing was not requested by the parties and the tribunal determined the application on the documents provided in the form of a 30 page digital bundle from the applicants and a 12 page digital response from the respondent (also included in the applicants' bundle).

The applicants' case

10. The applicants stated:

In light of the fact that many prior lease extensions have been done in this block, the intermediate landlords do not need to deal with the claim or be party to the lease, and the limited nature of a premium being £10,750, we would expect that the other intermediate landlords would each be able to deal with the legal aspects for the same fee as Southside nominees, being £540 each to Aviva and GLA Land and Property Limited.

In terms of valuation fees, given that many lease extensions have taken place at this block and the premiums are limited, it is not reasonable for a full separate valuation to be carried out at the tenant's cost in every case. We would propose that Wandsworth's valuation fee of £1200 is reasonable given the complexity of the matter, and that it would be reasonable and proportional for the intermediate landlords to each consult a valuer about the split of premium which should take around an hour's time, to be preresented (sic) by a payment of £250 plus VAT to each of Southside and Aviva.

11. The applicants submitted:

…that the freehold landlord (respondent) alone should be able to recover costs for dealing with that documentation as the other landlords are to a party to it and the landlord (if recovering legal costs) should be capable of drafting a working document within its agreed fees. The Tenant should not be liable for the fees of having the document checked by others who are not parties to the document and have not served notice of independent representation. Even if it were required to contribute towards that documentation, it should be no more than five units of time at the rate of a grade B fee earner or above to review a short deed to which the intermediate landlords are not a party. The total amount of fees claimed by the freehold landlord and intermediate landlords was originally £11,030.52, which with the premium being £10,750.00 is believed by the applicants to be grossly disproportionate and unreasonable.

The respondent's case

12. In the respondent's Reply it was stated that:

The amounts remaining in dispute are:

(i) £3,475.20 in Legal Fees requested by GLA LAND AND PROPERTY LIMITED OF ESTATES HOUSING AND LAND DIRECTORATE. ('GLA');

(ii) £1,816.32 in Legal Fees requested by AVIVA INVESTORS GROUND RENT GP LIMITED and AVIVA INVESTORS GROUND RENT HOLDCO LIMITED ('Aviva');

(iii) £840.00 in Valuation Fees requested by Aviva.

13. The respondent asserted all freehold and intermediate landlords were entitled to recover their costs under s.60 of the 1993 Act and these were not confined to the freehold landlord. Further, the respondent also submitted that the costs of each of the landlords differed and reflected the amount of work each contributed to the draft of the new lease; assessing the validity of the claim and subsequent assignment of the claim to the applicants.

14. The respondent also submitted that:

> *The 1993 Act does not require the other landlords to serve notice of separate representation, nor does a failure to serve such notice preclude recovery of section 60 costs or render them inherently unreasonable. The 1993 Act scheme envisages that other landlords would generally not serve notice of separate representation so that there is one channel of communication between tenant and competent landlord, mitigating cost increases for all parties that would result from multiple channels of communication.*

The tribunal's decision and reasons

15. In reaching its decision the tribunal took into account the parties' written submissions and supporting documentation. The tribunal also had regard to s60 of the 1993 Act which states:

> *(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 the appropriate 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.

16. The tribunal finds that all landlords, whether freehold or immediate are entitled to make a claim for costs under the above provision. Therefore, the only question that remained for the tribunal is the reasonableness of those costs.

17. The tribunal was provided with:

    (i) A s.60 Schedule of Costs dated 27 February from Addleshaw Goddard LLP representing Aviva in the sum of £2,656.32 (inc. VAT) and valuation fee.

    (ii) Email dated 12 December 2024 from Evershed Sutherland with a breakdown of s.60 legal costs in the sum of £2,896 plus VAT.

18. The tribunal were informed by the applicants that GLA were represented by Addleshaw Goddard LLP and Aviva was represented by Eversheds. However in an invoice dated 30 August 2024, GLA were said to be represented by Eversheds Sutherland (International) Ltd and the Statement of Costs dated 27 February 2025 name Aviva as the client of Addleshaw Goddard LLP. Consequently it remained somewhat unclear to the tribunal which party was represented by which legal representative, as in the Respondent's Reply it was said Eversheds acted for GLA but no Statement of Costs was provided to the tribunal by Eversheds in respect of these costs but only the email of 12 December 2024.

19. Consequently, the tribunal would have been assisted had the respondent made it clear which landlord was represented by which legal advisor and a Statement of Costs (Summary Assessment) had been provided on behalf of GLA as had been provided on behalf of Aviva.

20. However, the tribunal is satisfied from the Statement of Costs dated 27 February 2025, that the time spent and level of fee earner in respect of the costs incurred by Aviva were reasonable and appropriate in view of the added complexity of this application for the grant of a new lease. The tribunal also notes the concession made in respect of Aviva's legal fees/costs but as the applicants have not accepted this concession, the tribunal is not bound by it.

21. The tribunal has noted the modest premium paid for the new lease (when completed) but nevertheless it is required to consider the breakdown of costs vis a vis the 1993 Act and not the level of the premium that is payable. The tribunal considers that not only the freehold landlord but all of the intermediate landlords, were entitled to seek their own legal advice, in order to properly protect their interests and were not required up to 'double up' with legal or valuation advice, simply to save the applicants liability to pay s.60 costs.

22. However, in the absence of a Statement of Costs in respect of the costs incurred by GLA, the email of 12 December 2024 being insufficient for the purpose of the application to the tribunal, it is not satisfied as to the reasonableness of the costs said to have been incurred.

23. Therefore, the tribunal concludes that the following sums are payable by the applicants:

    (i) Aviva's costs in the sum of £2,656.32 (inc. VAT) as per the Statement of Costs dated 27 February 2025 including the valuation fee.

24. The tribunal makes no award of s.60 costs in respect of GLA as from the limited evidence provided, it is not satisfied they have been reasonably incurred in accordance with the provisions of s.60 of the 1993 Act.

Name: Judge Tagliavini **Date: 7 May 2025**

Rights of appeal

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

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. The application should be made on Form RP PTA available at https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber

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.

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.

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.

If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).