



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

**Case Reference** : **LON/00BK/OC9/2024/0064**

**Property** : **Flats 291 and 315 Park West, Edgware Road, London, W2 2QN**

**1st Applicant** : **Nemat Alsaghir (Flat 291)**

**2nd Applicant** : **Eyad Alsaghir (Flat 315)**

**Representative** : **Comptons Solicitors LLP**

**Respondent** : **Daejan Investments Limited**

**Representative** : **Wallace LLP**

**Type of Application** : **Enfranchisement - costs**

**Tribunal Member** : **Judge Robert Latham**

**Date and venue of paper determination** : **20 May 2025 at 10 Alfred Place, London WC1E 7LR**

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**DECISION**

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The Tribunal determines the section 60 statutory costs as follows:

	Legal Costs	Valuation Costs	Disbursements
Flat 291	£3,000 + VAT	£1,150 + VAT	£23 + VAT
Flat 315	£3,000 + VAT	£1,150 + VAT	£23 + VAT

**Introduction**

1. On 20 May 2025, each of the Applicant tenants applied under section 91 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”). The application is for the determination of the costs payable by the tenant under section 60(1) of the Act. The parties have provided a Bundle of 232 pages.

2. The Respondent has assessed its costs in the following sums:

	Legal Costs	Valuation Costs	Disbursements
Flat 291	£3,782.50 + VAT	£1,350 + VAT	£23 + VAT
Flat 315	£3,587 + VAT	£1,350 + VAT	£23 + VAT

3. The Applicants contend that the following sums should be assessed:

	Legal Costs	Valuation Costs	Disbursements
Flat 291	£2,000 + VAT	£1,000 + VAT	No challenge
Flat 315	£1,800 + VAT	£800 + VAT	No challenge

### **The Statutory Provisions**

4. Section 60 provides, insofar as relevant for the purposes of this decision:

“(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.”

### **The Principles**

5. In *Metropolitan Property Realisations v Moss* [2013] UKUT 415, Martin Rodger QC, the Deputy President, gave the following guidance on the approach to be adopted:

“9. These provisions are straightforward and their purpose is readily understandable. Part I of the 1993 Act is expropriatory, in that it confers valuable rights on tenants of leasehold flats to compel their landlords to grant new interests in those premises whether they are willing to do so or not. It is a matter of basic fairness, necessary to avoid the statute from becoming penal, that the tenant exercising those statutory rights should reimburse the costs necessarily incurred by any person in receipt of such a claim in satisfying themselves that the claim is properly made, in obtaining advice on the sum payable by the tenant in consideration for the new interest and in completing the formal steps necessary to create it.

10. On the other hand, the statute is not intended to provide an opportunity for the professional advisers of landlords to charge excessive fees, nor are tenants expected to pay landlords' costs of resolving disputes over the terms of acquisition of new leases. Thus the sums payable by a tenant under section 60 are restricted to those incurred by the landlord within the three categories identified in section 60(1) and are further restricted by the requirement that only reasonable costs are payable. Section 60(2) provides a ceiling by reference to the reasonable expectations of a person paying the costs from their own pocket; the costs of work which would not have been incurred, or which would have been carried out more cheaply, if the landlord was personally liable to meet them are not reasonable costs which the tenant is required to pay.

11. Section 60 therefore provides protection for both landlords and tenants: for landlords against being out of pocket when compelled to grant new interests under the Act, and for tenants against being required to pay more than is reasonable.”

## **The Background**

6. On 26 September 2023 (at p.83), the First Applicant served his section 42 Notice of Claim applying for a new lease of 291 Park West. He proposed a premium of £8,100. The new lease should be on the terms of the existing lease. An Official Copy of Entry of the First Applicant's title was enclosed confirming that he had been the registered proprietor for more than two years. On 7 December 2023 (at p.115), the Respondent served its Section 45 Counter-Notice admitting the tenant's right to a new lease. The terms should be those proposed by the tenant. However, the landlord proposed a premium of £18,203.
7. On 15 September 2023 (at p.80), the First Applicant served his section 42 Notice of Claim applying for a new lease of 315 Park West. He proposed a premium of £8,250. The new lease should be on the terms of the existing lease. An Official Copy of Entry of the First Applicant's title was enclosed confirming that he had been the registered proprietor for more than two years. On 28 November 2023 (at p.86), the Respondent served its Section

45 Counter-Notice admitting the tenant's right to a new lease. The terms should be those proposed by the tenant. However, the landlord proposed a premium of £19,150.

8. On 20 May 2024, the Applicants made applications to the tribunal to determine the terms of acquisition of the Flats which remained in dispute together with applications for determination of reasonable costs. The terms of the acquisition of the Flats were agreed and the applications were subsequently withdrawn by both Applicants on 24 January 2025. The statutory costs payable however were not agreed, and the Applicants' solicitor wrote to the Property Chamber on 21 February 2025 to lift the stay on the applications relating to both Flats seeking determinations of statutory costs payable pursuant to Section 60.

### **The Submissions of the Parties**

#### Flat 291

9. The Respondent claims legal costs of £3,782.50 + VAT; the First Applicant proposes £2,000 + VAT. The Schedule of Costs is at p.29-33. The Respondent claim for 8 hours work. A Grade A fee earner is charged at £575 ph for 3.6 hrs; a Grade C fee earner is charged at £375 ph for 4.2 hours and a Grade D paralegal at £240ph for 0.2 hours.
10. The First Applicant contends that the hourly rates are "absurdly high" compared with the guideline figures updated on 1 October 2021. Wallace LLP are based in W1 and are London Grade 2. The guideline figures are Grade A: £373; Grade C: £244 and Grade D: £139. The Respondent notes that these Guideline Figures were updated in January 2025 and are now Grade A: £413; Grade C: £269 and Grade D: £153.
11. The Applicant notes that the Respondent has retained the Solicitor for lease extensions within the same block and much of the work would reflect what had been done in previous cases. The Partner should have delegated more of the work. Complaint is also made that that an excessive amount of time was spent in drafting the Counter-Notice and in drafting a new lease. A new lease was not required. A deed of surrender and Regrant with reference to the existing lease would have sufficed. Given the Solicitor's extensive knowledge of the block and the previous lease extensions, the sums claimed are excessive. There was also some duplication with the work done for Flat 315.
12. The Respondent contends that the costs claimed are reasonable. It refers to five FTT decisions in which its fees have been found to be reasonable. It does not provide details of cases where its charges have been reduced. The Solicitor has been acting for the Respondent for many years and has the knowledge and capacity to act for it. The Respondent denies that the Guideline Rates are relevant and contends that the rates charged are entirely consistent with the usual charge out rate for solicitors in Central London. Further, this is a complex area of the law. The costs claimed are

the costs which the Respondent would incur had it been personally liable. The Respondent contends that it is not relevant that the Solicitor has dealt with previous lease extensions in the block. It would be a breach of professional duty merely to copy a previous Counter-Notice in the same block. The Respondent justifies the time spent in drafting the Counter-Notice, reviewing the valuation evidence and drafting the new lease.

13. The Respondent claims £1,350 + VAT for valuation costs (not £1,425 + VAT as suggested by the First Respondent); The First Applicant proposes £1,000 + VAT. The invoice from Chestertons, dated 6 December 2023, is at p.42. The First Applicant contends that the surveyor's hourly rate of £500 ph is excessive. The Surveyor carried out the two valuations on the same day. There seems to be duplication for the travel expenses which are claimed.
14. Mr Mit Kotak MRICA has filed a statement justifying his fees (at p.227). He is Chesterton's Head of Residential Valuations in the Professional Valuations department. He has over twenty years' experience in the property industry and has carried out in excess of 3,500 lease extension or collective enfranchisement valuations. His hourly rate is £500 + VAT. Mr Eric Shapiro RFICS is the only other surveyor in his department. His hourly rate is £600 + VAT. Mr Kotak has provided a breakdown of his time in preparing the reports for each flat. He computes this at 2.95 hours per flat. His fixed fee of £1,350 + VAT represents a discount of £75 + VAT per flat. He has split his time on the inspection (including travel) and research between the two flats. Mr Kotak notes that different adjustments were required for each flat and an explanation needed to be provided for the differences.

#### Flat 315

15. The Respondent claims legal costs of £3,587 + VAT; the First Applicant proposes £1,800 + VAT. The Schedule of Costs is at p.45-49. The Respondent claim for 7.7 hours work. A Grade A fee earner is charged at £575 ph for 3.7 hrs; a Grade C fee earner is charged at £375 ph for 3.9 hours and a Grade D paralegal at £240ph for 0.1 hours.
16. The Second Applicant makes similar arguments to those raised above. It is noted that the majority of the work that has been undertaken in both matters (Flat 291 and Flat 315) has been undertaken at the same time and the majority of the correspondence between the parties' legal representatives and the surveyors has combined both matters in an attempt to avoid duplication but is not clear from the Respondent's schedules of costs whether this has been taken into account. It is submitted that much of the work undertaken could have been duplicated and so when drafting the Counter-Notice and lease in this matter, the majority of the work would have already been undertaken for Flat 291.
17. The Respondent contends that the costs claimed are reasonable. The Respondent emphasises that that the flats involved different tenants who

served their respective Notices at different times. Additionally, two separate Counter-Notices, involving varying instructions and premiums, were served at different times. The two matters were therefore dealt with separately at the time of service and up to service of the Counter-Notices and were then dealt with collectively when possible after the service of the Counter-Notices. The costs schedules illustrate that these matters were dealt with together where possible. In such cases, the time spent is split 50/50 between the two flats. Where separate letters, emails and documents were prepared or considered, the appropriate unit of time has been recorded and allocated for each claim.

18. The Respondent claims £1,350 + VAT for valuation costs (again not £1,425 + VAT as suggested by the First Respondent); The First Applicant proposes £1,000 + VAT. The invoice from Chestertons, dated 30 November 2023, is at p.55.
19. Both the Second Applicant and the Respondent raise similar arguments relating to this cost as has been considered above. The Applicants do not challenge the modest sums claim for disbursements.

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

20. The Tribunal is satisfied that the sums claimed for legal fees are excessive and assesses these at £3,000 for each flat. The work should have been similar in respect of each flat. The Tribunal accepts that the Respondent was entitled to instruct its solicitor of choice. However, these lease applications were extremely straight forward. It is in a block where there have been other lease extensions. The premiums payable seem to have been modest. The Tribunal is satisfied that the hourly rate charged by the Respondent's Solicitor is unduly high. Where work is undertaken by a partner, the Tribunal would have expected less time to be involved, than were a less experienced solicitor to be involved.
21. The Tribunal would expect a Valuer to charge a fixed fee. A fixed fee of £1,350 would be appropriate for a valuation of a single flat. Mr Kotak is an experienced valuer, and these reports would have been standard work for him. However, when a valuer is instructed in respect of two flats, the Tribunal would have expected a reduction in the fixed fee of some 15%. The tribunal therefore reduces the fee from £1,350 per flat to £1,150.
22. The Applicants do not challenge the modest charges for disbursements, and the Tribunal allows them.

**Judge Robert Latham,  
20 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 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).