



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

Case Reference : **LON/00AE/OC9/2024/0620**

Property : **Flat 30, Mountaire Court,
Highfield Avenue, London, NW9
oQA**

Applicant : **St Leonards Properties Limited
represented by Wallace LLP**

Respondent : **Dilipkumar Gianchand Suthar**

Type of Application : **Costs payable by the respondent
under section 60 (1) Leasehold
Reform, Housing and Urban
Development Act 1993.**

Tribunal Members : **R Waterhouse FRICS**

**Date and venue of
Consideration** : **Determination on Papers**

Date of Decision : **06 June 2025**

DECISION

The Tribunal determines that the amount of costs payable by the respondent under s.60 (1) of the 1993 Act are:

- (1) Competent Landlord's Legal fees (inclusive of VAT) - £3000.00
 - (2) Competent Landlord's Valuation fees (inclusive of VAT) - £2100.00
 - (3) Competent Landlord's Land Registry fees - £46.80
 - (4) Competent Landlord's Courier fees (inclusive of VAT) - £50.77
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Background

(1) The applicant landlord seeks an order under s.60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 (the "1993 Act") as to the amount of costs payable in connection with negotiations for the grant by the applicant landlord of a lease of Flat 30 , Mountaire Court, Highfield Avenue, London , NW9 0QA.

(2) The application, dated 12 September 2024, stated that the applicant was content for the matter to be dealt with by way of a paper determination. The Tribunal's Directions of 1 November 2024 confirmed that the Tribunal considered the matter suitable for determination without an oral hearing but that either party could request a hearing. Neither party did.

(3) The costs sought are:

(1) Competent Landlord's Legal fees (inclusive of VAT) - £3,000.00

(2) Competent Landlord's Valuation fees (inclusive of VAT) - £2,100.00

(3) Competent Landlord's Land Registry fees - £46.80

(4) Competent Landlord's Courier fees (inclusive of VAT) - £50.77

These costs were set out in an email from Wallace solicitors to the Applicant to the respondent Dilipkumar Glanchand Suthar on 28 May 2024.

(4) By the directions the applicant landlord was directed to provide the respondent by 22 November 2024, a schedule of costs sufficient for summary assessment, invoices substantiating the costs and any other documents relied on. This was done.

(5) The directions directed the respondent to provide the applicant by 13 December 2024 a statement of case, details of comparative cost estimates and any other documents the respondent wished to rely on and giving the applicant the right to respond to the respondent's case by 27 December 2024, amended by later directions to 3 January 2025. This was done by letter from the respondent dated 12 December 2024.

(6) The directions required the applicant to prepare an agreed bundle and email it to the respondent and the Tribunal by 10 January 2025 later amended to 12 noon on the 17 January 2025.

(7) The applicant's solicitors provided its bundle for the hearing to the Tribunal and the respondent.

(8) s.60 of the 1993 Act provides that:

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(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 s.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.

(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.

The applicant's statement of costs and submissions

1. The statement of costs gives a charge out rate for a partner in the leasehold enfranchisement department at Wallace LLP of £520.00 per hour, and after 1 August 2023 rising to £575 per hour, the partner in the Property department at £635 per hour for preparing the draft lease. The Paralegal in the Leasehold Enfranchisement department also assisted on the matter and at the relevant time had a charge out rate of £240.00 per hour. The time taken in total was 4.80 hours. Evidence of the land registry disbursements and the courier fees was provided.

2. The bundle includes an invoice from Chestertons, chartered surveyors, for £1750.0 plus VAT, dated 4 October 2023.

3. The applicant's statement of case states that the applicant St Leonards Properties Limited served a Counter-Notice without prejudice to the contention that the Notice of Claim is invalid and of no effect as the sum offered to be paid in accordance with Schedule 13 was so low as to not be a genuine opening offer and the Notice had not been given to the Competent

Landlord. The applicant notes by letter to the respondent dated 28 May 2024 that the Respondent had not lodged an application with the Property Chamber to determine the outstanding terms of the acquisition of a new lease. With the failure of the Respondent to make such an application, and accordingly the Notice was deemed withdrawn pursuant to the provisions of Section 53 of the Act.

4. The respondent in their letter dated 12 December 2024 submitted that in respect of legal fees “no legal work was carried out so this should be £0, the valuation fee should be in the range of £600 to £900, the Land Registry fee should not be charged and finally the courier fee should not cost more than £5 the level for general postage.

5. The applicant's solicitors have acted for the applicant for many years in enfranchisement matters. They submit that it is reasonable for fee earners with relevant experience to have conducted the matter, and refer the Tribunal to cases which set out the principles the Tribunal is asked to consider in connection with the reasonableness of costs, particularly the case of *Daejan Investments Limited v Parkside 78 Ltd* (2004) Ref LON/ENF/1005/03.

6. The statement of case refers the Tribunal to various recent cases where the charge out rate of the applicant's solicitors has been approved.

7. In particular, in writing this decision I have gratefully adopted the recent decision of Judge S Brilliant in 21 Hendon Hall Court, Parson Street, London, NW4 1QY (2025) LON/00AC/OC9/2024/0628, which is also a Wallace LP case on all fours with this one.

The respondent's case.

8. The respondent's position was set out in their letter of 12 December 2024 to the tribunal.

Reasons for the tribunal's decision

9. The tribunal has considered the representations of both parties.

10. The Tribunal has to decide whether the costs are costs recoverable under s.60(1), and, if so, whether they meet the test of reasonableness set out in s.60(2).

11. The cases cited by the applicant in which the level of fees charged by Wallace LLP have been approved by other Tribunals are instructive but are not binding on the Tribunal and each case must be determined on its own merits.

12. On the basis of the breakdown of costs provided by Wallace LLP the Tribunal finds that the costs listed in that breakdown fall within s.60(1), as they relate to investigation reasonably undertaken of the tenant's right to a new lease, the valuation of the tenant's flat or the grant of a new lease. The

Tribunal notes that they do not include any costs incurred in connection with any application to the tribunal, which are excluded under s.60(5).

13. Any costs incurred by the relevant person in respect of professional services rendered are to be regarded as reasonable only 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 existence of invoices addressed to the applicant may indicate that the applicant would have paid them, but of itself that does not make the charges reasonable.

14. There are no submissions from the respondent before the Tribunal challenging the charge out rates of Wallace LLP, the time spent on the transaction, or the seniority of solicitors used for all aspects of the application.

15. The Tribunal accepts that the applicant is entitled to instruct Wallace LLP, who are its long-time solicitors, and that the rates charged by Wallace LLP are consistent with the usual charge out rates for solicitors in central London.

16. In the circumstances the tribunal finds the legal costs of Wallace LLP to be reasonable. It also finds the level of disbursements charged to be reasonable.

17. In consideration of the challenge to the surveyor's costs, the tribunal considers the costs suggested by the respondent of £600 to £900 unreasonable given the specialist nature of this work. An application was made by the applicant on 20 December 2024 for more time to allow the provision of a statement in support of the valuation fee. A further application for more time specifically to 17 January 2025, dated 30 December 2024 was subsequently received. The applicant's "Statement in Response" dated 20 December 2024 submits the fees are in line with the usual fees claimed by valuers in central London. The bundle contains a copy of the Chestertons invoice for £2100 including vat dated 4 October 2023. Additionally, the bundle contains a Statement of Case from Chestertons in support of the fee claimed, noting specifically, the unusual feature of this property was the large garden held with the flat. The tribunal on balance considers the fee reasonable given the complexity of the case.

Name: Chairman R Waterhouse FRICS Date: 6 June 2025

APPEAL PROVISIONS

Appeal to the Upper Tribunal

A person wishing to appeal this decision to the Upper Tribunal (Property Chamber) on a point of law must seek permission to do so by making a written application to the First-tier Tribunal at the Regional Office which has been dealing with the case which application must:

- a. be received by the said office within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- b. identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

If the application is not received within the 28-day time limit, it must include a request for an extension of time and the reason for it not complying with the 28-day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.