



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

**Case reference** : LON/00AE/OLR/2024/0636

**Property** : 65A Temple Road, London, NW2 6PN  
("the Property").

**Applicant** : Olive Sulola Adejobi  
Rosamund Adedoja Adejobi

**Representatives** : Simon Bethel Solicitors

**Respondent** : Erlinda Javonillo Mercado

**Representatives** : S D Rosser & Co

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

**Tribunal members** : Ian B Holdsworth FRICS

**Date of decision** : 3 October 2025

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**DECISION**

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**Decision**

Pursuant to section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 statutory costs of £1877.50 exclusive of VAT are payable by the tenants to the landlord for legal fees. This sum to be paid within 35 days of the date of this decision.

### **The application**

1. By their application received on 28 January 2025 the landlords sought a determination under section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993 (“the 1993 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 based on the written submissions and other documents included in the document bundle that was submitted in accordance with the directions.
3. The Tribunal made a further request on 18 September 2025 for a detailed costs breakdown from the applicants’ solicitors of the legal and valuer costs. This information was omitted from the bundle of submitted materials and deemed necessary to determine reasonable Section 60 costs payable.

### **Background**

4. By an initial notice dated 6 September 2023 the tenant claimed the right to acquire a new lease of the flat at a premium price of £150.
5. The landlord’s counter-notice is dated 27 October 2023. The counter-notice admitted the tenants’ claim but made no proposal for a premium price. The premium was subsequently agreed at £20 following a Tribunal hearing to determine disputed matters. The Tribunal determination is dated 31 October 2024.
6. The terms of the new lease were agreed between the parties on 7 May 2025 but there is no confirmation in the bundle of the issue of an engrossment since that date.
7. No agreement in respect of the statutory costs payable by the respondent has subsequently been reached. The Applicants made an application on 28 January 2025 to the First Tier Tribunal for a Statutory Costs determination under the provisions of Section 60 of the 1993 Act. This Costs determination is now made in response to that application.
8. The relevant legal provisions are set out in the Appendix to this decision.

### **The claimed costs**

9. In response to the Tribunal's directions and subsequent request 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.
10. All the work was undertaken by an appropriately skilled legal staff member. The Tribunal are told Mr Olaitan Eyiowuawi had sole conduct of this matter from inception to the current date. He provides no detail of his experience in the statement of case dated 12<sup>th</sup> March 2025. It is assumed he is experienced in lease extension matters given his charge rate at £365 plus vat per hour. This charge rate is comparable to the rates typically charged by a Grade A solicitor whose time is charged at or around £400 plus VAT per hour or an associate with charge rates of around £360 per hour.
11. The Statement of Applicants Costs supplies cost and task information for the period 12 September 2023 to 20 October 2024. The total legal cost for this period is £11,656 plus Court Fees of £200 and Surveyors costs of £2565 all exclusive of VAT.
12. The Counter Notice was served on 27<sup>th</sup> October 2023 and the total costs ( Legal and valuers) at this date amount to £1330.00 +VAT. The remainder of the Statement of Costs details tasks that are for the First tier Tribunal hearings with no time allocated to addressing the drafting of the new lease. Costs incurred in preparation for and attendance at a Tribunal are not recoverable statutory costs under Section 60 of the 1993 Act.
13. By the application of the hourly rate to the time spent and dates shown the work was undertaken the schedule seeks to justify the following S60 costs exclusive of VAT:-

Legal fees: £1,330 plus VAT

Valuer fees: £Nil

Disbursements: £Nil

14. The Respondents have submitted no challenge to the hourly fee rates but make the comment that the "*charge rate suggests that he is experienced in dealing with claims under the 1993 Act*". They accept the Applicant is "*entitled to recover time in preparation and completion of the new lease*" but emphasise most of the work on the drafting was done by the Respondents solicitor. They propose 1.5 hours to include the approval of a new lease and completion of the agreed document.

15. The valuer fee was incurred after the issue of the counter notice and therefore falls beyond the remit of S60(1)b and is not recoverable.

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

16. 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 earner. The solicitors are based in South London.
17. We accept that the Applicant was entitled to instruct Simon Bethel solicitors and that the rates charged are consistent with the usual charge out rates for solicitors in South London.
18. After review of the schedule the S60 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 skill level commensurate with the staff instructed. The Tribunal based upon their experience and knowledge assess the £1,330 +vat charge for legal costs for tasks undertaken prior to submission of the S45 notice as reasonably incurred.
19. The Respondent does dispute the sum charged by the valuer as it is not for valuation work relevant to the preparation of the section 45 Notice. The Tribunal agree and disallow this sum.
20. The Tribunal allow 1.5 hours at the agreed rate of £365 +vat for work in preparation and completion of the new lease. This amounts to £547.50 +vat. The Tribunal consider this time allowance reasonable given the skill level of the solicitor. This sum is added to the agreed 3.8 hours, which is equivalent to £1330 exclusive of VAT for the work prior to submission of the Section 45 Notice.
21. After careful review of the application the tribunal determine the statutory costs of £1877.50 **exclusive** of VAT are payable by the tenants to the landlord for legal fees.

**Name: Ian B Holdsworth**

**Date**

**3 October 2025**

## **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)

Whereby 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.

## **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).