



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

**Case reference** : **LON/00AS/OC9/2025/0655**

**HMCTS code** : **P: PAPERREMOTE**

**Property** : **243 Shakespeare Avenue Hayes UB4  
9AQ**

**Applicant** : **Daejan Investments Limited  
(the ‘intermediate landlord’)**

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

**Respondents** : **Nadir Darediya  
Salma Khowaja**

**Type of application** : **Costs – payable by the applicant under  
s.60(1) Leasehold Reform, Housing and  
Urban Development Act 1993 (the ‘1993  
Act’)**

**Tribunal members** : **Judge Pittaway  
Mr K Ridgeway MRICS**

**Date of decision** : **9 October 2025**

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**DECISION**

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### **Description of hearing**

This has been a remote hearing on the papers, the form of the hearing being P:PAPERREMOTE.

The documents to which the Tribunal was referred by the Applicant were in a bundle of 174 pages provided by the Applicant which included the Applicant's Statement of Costs and the Applicant's submissions on costs. The Tribunal has also considered the following;

- Letter of 18 August 2024 from the Respondents to IBB Law LLP
- The Tribunal's letter to the Respondents of 18 September 2025
- The Respondents' application of 30 September 2025 for an extension of time within which to comply with Directions
- The note from the Respondents supporting their application for an extension of time dated 30 September 2025
- The letter from Wallace LLP of 3 October 2025

### **Preliminary Decision of the Tribunal**

The Tribunal determines that it will not grant the Respondents an extension of time within which to comply with the Directions.

In relation to the Respondents' request for an extension of time in which to comply with Directions the Tribunal has had regard to their application of 30 September 2025, the note supporting this application and the letter from Wallace LLP of 3 October 2025 and the Tribunal's letter to the Respondents of 18 September 2025.

The Respondents provided a Statement of Case on 13 September to which Wallace LLP replied on 16 September 2025 so that there is no need for an extension of time in relation to the question of costs, which is the only issue before this Tribunal.

### **Decisions of the Tribunal**

The Tribunal determines that the amount of costs payable by the Respondent under section 60 (1) of the 1993 Act is

- Legal fees of £1,750 exclusive of VAT
- Valuation fees of £750 exclusive of VAT
- Land Registry fees of £24 exclusive of VAT
- VAT on all of the above costs if the VAT is not recoverable by the Applicant.

The Tribunal determines that the Respondents will not be liable for any further legal charges

### **Background**

- (1) The Applicant intermediate landlord seeks an order under section 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 to the Respondents of an extended lease of 243 Shakespeare Avenue Hayes UB4 9AQ (the ‘**property**’) which lease was not granted.
- (2) The claim for the extended lease was deemed to be withdrawn on 26 August 2024, as no communication was received from the Respondents following service of the Counter-Notice pursuant to section 45 of the 1993 Act which had admitted the Respondent’s entitlement to the grant of a new lease of the Property but without prejudice to the contention that the Notice of Claim pursuant to s42 of the 1993 Act was invalid.
- (3) The costs application, dated 13 May 2025, stated that the Applicant was content for the matter to be dealt with by way of a paper determination. The Tribunal’s Directions, dated 17 July 2025, 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.
- (4) The costs sought are
  - Intermediate Landlord’s legal fees                      £2,400 (including VAT)
  - Intermediate Landlord’s valuation fee                      £1,980 (including VAT)
  - Land registry fees    £28.80 (including VAT)
- (5) By the Directions the Applicant landlord was directed by 8 August 2025 to provide the Respondents a schedule of costs sufficient for summary assessment, invoices substantiating the costs and any other documents relied on.
- (6) The Directions directed the Respondents to provide the Applicant by 29 August 2025 a statement of case, details of comparative cost estimates and any other documents she wished to rely on and giving the Applicant the right to respond to the Respondent’s case by 12 September 2025.
- (7) The Directions required the Applicant to prepare an agreed bundle and email it to the Respondents and the Tribunal by 26 September 2025.
- (8) On 3 September the Respondents requested that they be given until the end of the year to make their case, as they had queries on the transactions

which had occurred in the transfer of the leasehold interest before it was transferred to them.

- (9) The bundle provided by the Applicant's solicitors contains submissions in a Statement of Reply by the Applicant dated 16 September 2025. It also contains a Schedule of Costs of Wallace LLP.
- (10) Section 60 of the 1993 Act provides that

“(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.

(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 Schedule of Costs of Wallace LLP is broken down into description of activities undertaken, units of time spent on the activities and the relevant charge out rate, being £575 for a partner. The work undertaken by Wallace LLP was divided between Work on Documents (1.8 hours), communication with client (0.3 hours), communication with competent

landlord's solicitors (0.8 hours), communications with tenants' solicitors (0.2 hours), communication with assignor and their representatives (0.2 hours) and communications with their valuer (0.2 hours). It also contains evidence of the Land Registry charges.

2. The bundle contains one invoice from Wallace LLP, dated 28 February 2024 for legal fees of £1,250 (£1,500 inclusive of VAT) and Land Registry fee disbursements of £28.80 (inclusive of VAT). It is stated to be for 'interim' professional charges.
3. The bundle includes an invoice from Chestertons, for £1,650 plus VAT. The narrative is that this is for advising on the premium payable for a lease extension under the provisions of the 1993 Act.
4. The Applicant's statement of case states that the basis upon which legal fees are charged to it are by reference to the time spent by the relevant fee earners. In this application that was a partner in the Leasehold Enfranchisement department of a London firm of solicitors whose charge-out rate is £575 per hour.
5. The statement of case refers the Tribunal to various recent cases where the statutory costs are payable where Notices of Claim are withdrawn and to cases where the charge out rate of the Applicant's solicitors has been approved. They submit that the charge out rates are consistent with those charged by solicitors in Central London.
6. 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, in particular *Daejan Investments Limited v Parkside 78 Limited*.
7. The Applicant's solicitor submits that the provisions of the 1993 Act are complex and that on receipt of a Notice of Claim it is necessary for the relevantly qualified experience fee earner to deal with the aspects of the case. They submit that the costs claimed are those that the Applicant would incur if personally liable.
8. The Applicant states that the only invoice for legal fees submitted is stated to be an 'interim' one to allow for two invoices to be issued once the statutory costs are determined, one for the legal costs recoverable from the Respondents and one for the legal costs payable by the Applicant.

#### **The Respondents' case.**

9. In their letter of 13 September 2025 the Respondents challenged whether Wallace LLP's costs were reasonable and proportionate in circumstances where the validity of the Claim Notice had been challenged. In their letter to Charlotte Day of IBB Law LLP of 19 August 2024 they challenged the fees of Wallace LLP. They submitted other cases had reduced the costs of

Ms Bone on the grounds that the time spent or charge out rate could not be justified.

10. Previously, in their letter to Charlotte Day of IBB Law LLP, the Respondents had challenged whether the surveyor's fees were reasonable given that their predecessor had obtained a valuation from Gibbs Gillespie for which that firm charged £720 inclusive of VAT and they had obtained a valuation from Harriet Fleming Surveyors in September 2025 of £750 plus VAT.

### **Reasons for the tribunal's decision**

11. The Directions stated, *'If any party fails to comply with these directions the Tribunal may in any event determine the issues in dispute on the basis of such information and evidence as is available.'* In the absence of a specific Statement of Case from the Respondents the Tribunal has reached its decision on the basis of the statement of costs and submissions from Wallace LLP, and the various letters from the Respondents that it has seen and which it is satisfied that the Applicant had also seen.
12. The Tribunal has to decide whether the costs are costs recoverable under section 60(1) and if so whether they meet the test of reasonableness set out in section 60(2).
13. The Respondents have submitted that the Applicant should not have incurred legal costs if it considered the Notice of Claim invalid.
14. It was the Respondents' predecessors in title to the Property who commenced the claim for an extended lease against the Applicant and the Freeholder, which claim was subsequently assigned to the Respondents who gave an indemnity in respect of costs arising therefrom. By s60 (1)(a) of the 1993 Act a tenant, who gives such a notice, or in this case his successor in title, is responsible for the reasonable costs of and incidental to any investigation reasonably undertaken of the tenant's right to a new lease.
15. The Applicant is entitled to take legal advice on the claim. Even if they consider the Notice invalid it is prudent to take such steps as are required to protect their position, in the event that it is found that the Notice is in fact valid. The Applicant is therefore not acting unreasonably in incurring legal costs as it did.
16. The cases cited by the Applicant in which the level of fees charged by Wallace LLP have been approved by other tribunals, and those cited by the Respondent where they have been found to be too high, are instructive but are not binding on the Tribunal and each case must be determined on its own merits.
17. 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.

18. On the basis of the breakdown of costs provided by Wallace LLP the Tribunal find that the costs listed in that breakdown fall within section 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 section 60(5).
19. 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. There is only one invoice in the bundle for legal costs, addressed to the Applicant, dated 28 February 2024 for £1,500 (plus VAT). The narrative on that invoice states that it is for the work undertaken up to, 'service of the Notice to Act independently'. The Schedule of Costs confirms that this was work undertaken on 28 February.
20. The Tribunal finds, on the evidence before it, that it was the Applicant's solicitors intention to charge its client £1,500 for the work undertaken up to up to 28 February 2024 and not the total costs of the work to that date of £1,782.50 set out in the Statement of Costs. The statement of case indicates that there may be further invoices issued. On the basis of the Schedule of Costs only a further £250 would relate to costs recoverable from the tenant.
21. In the circumstances the Tribunal finds the legal costs of Wallace LLP in the sum of £1,750 plus VAT to be reasonable. It also finds the level of disbursements charged to be reasonable.
22. The Respondents challenged the valuer's invoice of costs of £1,650 plus VAT and provided two comparables where the fees were £720 in 2023 and £750 plus VAT in 2025. The Applicant did not address these comparables, merely including Chesterton's invoice in its bundle, submitting that the fee charged was reasonable for a Central London valuer.
23. There is no evidence before the Tribunal that the Applicant always uses Chestertons as its valuer. The Property's location in Hayes is not in Central London and there is no explanation for why a Central London firm was used. The Respondents stated that Chestertons did not visit the Property to inspect it.
24. In the circumstances the Tribunal finds that a reasonable charge for the valuer would be £750 plus VAT.
25. The Tribunal notes that the Applicant is seeking to recover VAT. The recovery of VAT from the Respondents is only reasonable if the Applicant is unable to recover the same.

**Name:** Judge Pittaway

**Date:** 9 October 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).**