



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

**Case reference** : **LON/00BJ/OC9/2025/0658**

**Property** : **32A Penton Place, London, SE173JT**

**Applicant** : **Ebele Muorah**

**Respondent** : **London Borough of Southwark**

**Type of application** : **Application for determination as to reasonable costs**

**Tribunal** : **Judge Shepherd**

**Date of Decision** : **18<sup>th</sup> November 2025**

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**DECISION**

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1. The Tribunal has been asked to determine the reasonable costs payable by the Applicant for work carried out by the Respondent in administering a lease extension.
2. The Applicant is the leaseholder of 32A Penton Place, London SE17 3JT ("The premises") . The Respondent is the freeholder.
3. The Applicant sought to obtain a new lease by serving notice under s.42 of the Leasehold Reform Housing and Urban Development Act 1992 ("The Act"). The Respondents served a counternotice on 10<sup>th</sup> January 2024. The premium was agreed between the parties. What is in dispute are the costs sought by the Respondent. A leaseholder is obliged to fund the cost of a lease extension the only limitation is the fact that the landlord's costs must be reasonable.
4. Regrettably the Respondents have chosen to disengage from the Tribunal proceedings and failed to comply with directions given. It is impossible to determine how they justify the amounts claimed. These include:

Valuation fee --£1180 plus vat  
Investigation fee - £339 inc vat  
Legal Costs - £1297 plus vat  
Land Registration Fee of £6 plus vat.

5. In contrast the Applicant has engaged with the Tribunal and has provided cogent argument and comparables from a neighbouring borough Hammersmith and Fulham. They submit that the reasonable amounts are :

Valuation fee - £350  
Investigation fee- nil  
Legal fees £324

6. They accept the land registration cost of £6 plus vat.

## **The law**

7. The operative provision is s.60 of the Act This states the following

*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](#);*

*© 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]<sup>1</sup> 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.*

## **Determination**

8. The costs sought by the Respondent are excessive. They have chosen not to justify these amounts. Taking each in turn:

#### Valuation fee

9. This was a desk top valuation without any inspection. £350 is allowed.

#### Investigation fee

10. There is no basis or explanation for this fee and it is disallowed.

#### Legal fees

11. The fee of £324 proposed by the Applicants is reasonable and this is allowed.

Judge Shepherd

18<sup>th</sup> November 2025

#### RIGHTS OF APPEAL

1. 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.

2. 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.

3. 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.

4. 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.