



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

Case reference : **LON/00AC/OC9/2025/0681**

Property : **140A East End Road, London N2 0RZ**

Applicant : **Metropolitan Property Realizations Limited**

Representative : **Wallace LLP
*Ref: Fleur Neale***

Respondent : **Surom Properties UK Limited**

Representative : **N/A**

Type of application : **Leasehold enfranchisement and leasehold extension – application for a reasonable costs order – s.91(2)(d) of the Leasehold Reform, Housing and Urban Development Act 1993**

Tribunal member : **Judge Tagliavini**

Venue : **10 Alfred Place, London WC1E 7LR**

Date of decision : **16 December 2025**

DECISION

Decisions of the tribunal

- (1) The tribunal determines the statutory legal costs payable to the applicant by the respondent are **£5,249.45**.
 - (2) This sum is payable within 7 days of this decision being sent to the parties.
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The application

1. This is an application pursuant to s.91(2)(d) of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act') seeking the landlord's statutory costs of Legal fees (inclusive of VAT) in the sum of £3,300; Valuation fees (inclusive of VAT) in the sum of £1,800; Land Registry fees (inclusive of VAT) in the sum of £39.60; Courier fees (inclusive of VAT) in the sum of £109.85 and a total of **£5,249.45**.

The background

2. The applicant is the headlease owner and Competent Landlord of premises known as 130 to 144 (even) East End Road, Finchley N2 0RZ ('the Premises') of which 140A East End Road, London N2 0RZ ('the Flat') forms part.
3. The respondent's predecessor in title, Eli Shalom Moses, held a long lease of the Flat for a term of 105 years from 25 March 1969. On 13 May 2024, the respondent's predecessor in title made an application for the grant of new Lease by way of Notice of Claim pursuant to the provisions of the 1993 Act.
4. On 29 May 2024, the Flat and the benefit of the Notice of Claim was assigned to MC Housing Limited and the Flat and the benefit of the Notice of Claim was thereafter assigned to the respondent on the same date. On 24 July 2024, the applicant served a Counter-Notice pursuant to Section 45 of the 1993 Act admitting the respondent's entitlement to the grant of a new lease for the Flat but without prejudice to the contention that the Notice was invalid and of no effect.
5. The respondent had until 23 January 2025 to lodge an application with the Property Chamber by 23 January 2025 seeking a determination of any outstanding terms of acquisition of a new lease. Consequently, the Notice was deemed withdrawn pursuant to the provisions of Section 53 of the Act on 23 January 2025.

The hearing

6. Neither party requested an oral hearing and the tribunal determined the application using the 287 page digital bundle provided by the parties.
7. In its written submissions the respondent accepted liability under section 60 LRHUDA 1993 for the Landlord's 'reasonable' costs down to the date on which the notice of claim was deemed withdrawn. However, the respondent challenged the figures for cost claimed by the applicant and asserted they were excessive and submitted that the amount reasonably recoverable is £3,032 inclusive of VAT.
8. The respondent also asserted the reasonable legal costs claimed should be based on the Solicitors Guideline Hourly Rates as utilised by the tribunal in previous decisions. The respondent also asserted the time spent of 5.8 hours was excessive as the claim was deemed withdrawn before any lease was required and therefore the drafting of a (draft) lease was premature and the costs should be disallowed. The respondent asserted that only the initial draft, when actually required for grant, falls within section 60(1)(c) of the 1993 Act.
9. The respondent submitted that the valuation invoice totals £1,650 + VAT and on the basis a site inspection was undertaken, an allowance above desktop levels is accepted, but the hourly rate and total hours must still be proportionate to the task of fixing the premium under section 60(1)(b). The respondent asserted this fee should be 'trimmed' to £1,080 including VAT as the floor plans and photos are not recoverable costs under s.60(1)(b) as they are a presentation 'extra'.
10. The respondent did not dispute the Land Registry fee but asserted that courier costs are commonly reduced or capped in the electronic age at £35.00 plus VAT as being a reasonable allowance for this item.
11. In response to the respondent's written submission the applicant asserted that,

The basis upon which legal fees are charged to Metropolitan are by reference to the time spent by the relevant fee earners.

Metropolitan's solicitor was a Partner in the Leasehold Enfranchisement department of a London firm of solicitors and at the relevant time had a charge out rate of £575 per hour. The Partner is a Grade A fee earner. A Legal Director also undertook work on this matter by finalising the Counter-Notice and at the relevant time had a charge out rate of £465 per hour. The Legal Director is a grade A fee earner. An Assistant Solicitor in the Leasehold Enfranchisement department of Metropolitan's solicitors also undertook work in preparing the draft lease attached to the Counter-Notice and at the relevant time had a

charge out rate of £375 per hour. The Assistant Solicitor is a Grade C fee earner.

...

Metropolitan's solicitors have been acting for Metropolitan for many years dealing with enfranchisement matters.

Metropolitan's solicitors are accordingly Metropolitan's choice of solicitor and have the knowledge and capacity to deal with this work on their behalf. The rates charged by Metropolitan's solicitors are entirely consistent with the usual charge out rate for solicitors in Central London. Additionally, Metropolitan submits that it is reasonable for a fee earner with the relevant experience to have conduct of the matter and to perform work on the same.

12. The applicant also submitted that the County Court Guideline Hourly rates should not apply as,

... the County Court Guideline Hourly Rates are guideline rates for summary assessment in Civil Court matters before the County Court where recovery of costs is not determined by specific statutory provisions, and they accordingly do not apply and/or are not relevant to the determination of the costs payable pursuant to the provisions of Section 60 of Act. The County Court Guideline Hourly Rates do not reflect the specialist nature of leasehold enfranchisement work or the intended indemnity for costs specifically set out in Section 60 (which is subject only to a requirement of reasonableness).

13. The applicant also asserted that the cost of preparing a draft lease was reasonable as,

...It is submitted that it is appropriate for a draft lease to be prepared and included within any Counter-Notice served on behalf of a landlord in order for a landlord to fully specify its counter-proposals concerning the form of Lease (as required by Section 45(3)(b) of the Act). It is further considered good practice amongst enfranchisement professionals to do so and it is confirmed that Metropolitan's solicitors prepare a draft lease as a counter-proposal for every Counter-Notice served in new lease claims. Preparing a draft new lease requires a review of the existing lease and title documents for the property in question, consideration of the current covenants in the lease, consideration of the relevant amendments under the Act (and any defects in the current lease to be addressed), consideration of the proposals set out by the tenant in the Notice of Claim and thereafter preparing a new lease as part of the landlord's counter-proposals. It is submitted that these are tasks that the

landlord must undertake in any event in order to properly respond to the proposals in a Notice of Claim and to thereafter serve a valid Counter-Notice.

The tribunal's reasons

14. In reaching its decision the tribunal had regard to the documents provided by the applicant which included a statement dated 21 November 2025 from Mit Jitandra Kotak BA(Hons) PgDip MRICS of Chesterton's. Both parties cited a number of previous decisions of the First-tier Tribunal (Property Chamber). Although this tribunal had regard to those decision, they do not form a binding precedent on this tribunal.

15. The tribunal also had regard to s.60 of the 1993 Act, the relevant part of which states:

(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)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.

16. The tribunal finds that the application for the grant of a new lease was far from simple and straightforward in view of the complicated history of multiple assignments. Consequently, the tribunal finds it was reasonable for the applicant to rely upon its solicitors of choice who had the necessary experience to determine the validity or otherwise of the respondent's Notice of Claim.
17. The tribunal also accepted the statement of from Mit Jitandra Kotak which set out in detail the work that had been carried out in respect of the valuation and the complications the application for the grant of a new lease presented in this instance. The tribunal also accepts the inclusion of a floorplan and photographs in the valuer's valuation cannot be regarded as unusual and are reasonable.
18. The tribunal determines that the provision of a draft lease at an early stage also falls within s.60(1)(c) and accepts that it has become standard practice to do so and that in the circumstances it was not unreasonable to do so.
19. The tribunal also accepts the applicant's reasons for use of a courier service to send hard copies of the Counter-Notice to the various recipients. The tribunal finds it was not unreasonable to do so in the absence of express permission to rely on service by email and the importance of timely service.
20. In conclusion, the tribunal determines the reasonable costs payable the respondent to the applicant are £5,249.45 i.e.:
 - Legal fees (inclusive of VAT) in the sum of £3,300;
 - Valuation fees (inclusive of VAT) in the sum of £1,800;
 - Land Registry fees (inclusive of VAT) in the sum of £39.60;
 - Courier fees (inclusive of VAT) in the sum of £109.85
21. This sum is payable to the applicant within 7 days of this decision being sent to the parties.

Name:

Judge Tagliavini

Date: 16 December 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 should be made on Form RP PTA available at <https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber>

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).