FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	**Lon/00AN/0C9/2026/0004**
Property	:	**62 & 64 Aylmer Road, London W12 9LQ**
Applicant	:	**Daejan Properties Limited**
Representative	:	**Wallace LLP**
Respondents	:	**62 & 64 Aylmer Road Limited**
Representative	:	**Ashley Wilson solicitors**
Type of Application	:	**Landlords' Reasonable Costs in connection with Leasehold Enfranchisement Proceedings Section 33 (1) Leasehold Reform, Housing and Urban Development Act 1993**
Tribunal Member(s)	:	**Judge Tildesley OBE** **Ms C Barton MRICS**
Date and Venue of Hearing	:	**Determination on Papers**
Date of Decision	:	**24 April 2026**

DECISION

The Application

1. The Applicant seeks a determination for reasonable costs pursuant to section 33 of Leasehold Reform, Housing and Urban Development Act 1993 (1993 Act).

2. The Applicant is the freehold owner of the Property. The Respondent is the Nominee Purchaser for the purposes of section 15 of the 1993 Act.

3. On 10 July 2024, the Respondent made an application to acquire the freehold title of the Property by way of an Initial Notice. On 18 September 2024, the Applicant served a Counter-Notice pursuant to Section 13 of the Act admitting the Respondent's entitlement to exercise the right to collective enfranchisement in relation to the Property.

4. The terms of acquisition were not agreed between the parties and on 14 March 2025, the Respondent applied to Tribunal for determination of the disputed terms pursuant to section 24(1) of the 1993 Act.

5. On 27 June 2025 the Tribunal directed that the Application was deemed withdrawn pursuant to Rule 11(1) and (2) of the Tribunal Procedure Rules 2013, due to a failure to pay the Tribunal application fees.

6. On 7 August 2025 the Applicant requested the Respondent to pay its costs in accordance with section 33 of the 1993 Act, namely: legal fees of £3,500 plus £700 VAT =£4,200 in total; valuation fees of £1,950 plus £390 VAT = £2,340; Land Registry Fees of £24 plus £4.80 VAT = £28.80, and Courier Fees of £17 plus £3.40 VAT = £20.40. The Respondent did not respond to the Applicant's request.

7. On 19 September 2025 the Applicant applied to the Tribunal for determination of its reasonable costs.

8. On 26 January 2026 the Tribunal directed the Applicant to provide the Respondent with a schedule of costs and copies of invoices and any other documents substantiating its case by the 16 February 2026. The Respondent in turn was required to supply the Applicant with its statement of case by 9 March 2026. The Tribunal ordered that the Application would be determined on the papers in the week commencing 20 April 2026 unless a party requested a hearing.

9. The Respondent did not comply with the directions. The parties did not request a hearing. The Applicant supplied the Tribunal and the Respondent with a hearing bundle of 181 pages including a detailed schedule of costs , and a series of Tribunal decisions dealing with the determination of statutory costs when the Notice of Claim is deemed withdrawn and where the charge out rates of the Applicant's solicitors have been approved by the Tribunal.

Determination

10. Section 33 of the 1993 Act provides that

"Costs of enfranchisement.
(1) Where a notice is given under section 13, then (subject to the provisions of this section and sections 28(6), 29(7) and 31(5)) the nominee purchaser shall be liable, to the extent that they have been incurred in pursuance of the notice by the reversioner or by any other relevant landlord, for the reasonable costs of and incidental to any of the following matters, namely—

(a) any investigation reasonably undertaken—

(i) of the question whether any interest in the specified premises or other property is liable to acquisition in pursuance of the initial notice, or

(ii) of any other question arising out of that notice;

(b) deducing, evidencing and verifying the title to any such interest;

(c) making out and furnishing such abstracts and copies as the nominee purchaser may require;

(d)any valuation of any interest in the specified premises or other property;

(e)any conveyance of any such interest;

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 the reversioner or any other relevant landlord 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 initial notice ceases to have effect at any time, then (subject to subsection (4)) the nominee purchaser'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) The nominee purchaser shall not be liable for any costs under this section if the initial notice ceases to have effect by virtue of section 23(4) or 30(4).

(5) The nominee purchaser 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 references to the nominee purchaser include references to any person whose appointment has terminated in accordance with section 15(3) or 16(1); but this section shall have effect in relation to such a person subject to section 15(7).

(7) Where by virtue of this section, or of this section and section 29(6) taken together, two or more persons are liable for any costs, they shall be jointly and severally liable for them.

11. Under section 33 (1) of the 1993 Act the Respondent is liable to pay the costs incurred by the Applicant in pursuance of the Respondent's notice of claim and incidental to the matters identified in section 33(1) (a) to (e) up to the date of withdrawal of the claim. In order to be recoverable under section 33(1) the costs must be reasonable.

12. Section 33(2) of the 1993 Act states that any costs of professional services incurred by the Landlord 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.

13. The Leasehold Valuation Tribunal chaired by Professor J T Farrand in LON/ENF/1005/03 explained the statutory definition of reasonable as follows:

> "The statutory test does not turn upon what tenant-purchasers may reasonably expect to be their liability. Thus the Reversioner was not required to find the cheapest nor even cheaper solicitors or valuers but only, in effect, to give such instructions as it would ordinarily give if it were itself going to be bearing the cost of paying the solicitors and valuers for acting, as it will be contractually obliged to in so far as recovery cannot be obtained from the Nominee Purchaser".

14. The Upper Tribunal in *John Lyon's Charity* v *Terrace Freehold LLP [2018] UKUT 0247 (LC),* a case under s.33 of the 1993 Act, stated that leasehold enfranchisement is specialist work and it is therefore reasonable for a reversioner to use an experienced practitioner rather than a lower grade fee earner, even if the firm is specialist in enfranchisement work.

15. The Tribunal now deals with the facts of this case. The Applicant is claiming the professional fees of solicitors in the sum of £3,500 plus VAT of £700 together with charges of Land Registry fees of £24 plus VAT of £4.80 and disbursements of courier fees of £17 plus £3.40 VAT making a total of £4,249.20 The amount of fees is supported by an invoice in the sum of £4,249.20 in the name of the solicitors to the Applicant, and a schedule of work done by the solicitors in the sum of £3,538.50 plus VAT of £707.70.

16. The schedule breaks down the costs into individual charging elements which are identified by date, activity, brief description of the activity, fee earner, time, hourly rate, and amount. The schedule showed that the solicitors spent 6.8 hours on the necessary work distributed between various fee earners partners (4.4 hours), legal director (0.9 hours), assistant solicitor (1.2) and paralegal (0.3). The date of activities commenced on 11 July 2024 and concluded on 2 July 2025. The time of

0.5 hours for assistant solicitor at an amount of £187.50 for work done on 2 July 2025 was included in the schedule which was after the date of the 27 June 2025 for the deemed withdrawal of the Respondent's notice of claim.

17. The hourly charge out rates for the various fee earners at the time of the application were £640 and £575 for the partners, £465 for the legal director, £375 for assistant solicitor and £250 for the para-legal.

18. The Tribunal finds the following in respect of the solicitors' costs

    a. The Applicant incurred the costs claimed as substantiated by the invoice

    b. The costs incurred related to the work done by the Applicant's solicitors in connection with and incidental to the Respondent's notice of claim.

    c. Enfranchisement is a technical area of the law, and the consequences of not complying with the legal requirements are serious for the Applicant. The Applicant is entitled to ensure that enfranchisement matters are dealt with by appropriately experienced advisers to the highest professional standards.

    d. The Applicant's solicitors are experts in enfranchisement and have been the Applicant's choice of solicitors for a considerable number of years.

    e. The Applicant's solicitors charging rates are consistent with the usual charge out rate for solicitors in central London. There is no difference in the level of fee earner and their hourly rate between recoverable work and non-recoverable work charged by the solicitors to the Applicant.

    f. The Respondent did not challenge and made no representations on the costs claimed by the Applicant.

19. The Tribunal is satisfied on the above findings that the costs incurred by the Applicant on solicitor's costs including the HM Land Registry fee and courier fees were reasonable and incurred in pursuant of the Respondent's notice of claim and incidental to the matters identified in section 33(1)(a) to (c).

20. The remaining issue for the Tribunal is the discrepancy in amount between the schedule of works and the invoice. The Tribunal noted that the schedule recorded a slightly higher amount of £3,538.50 plus VAT than the £3,500 plus VAT claimed in the invoice. The schedule also included an amount of £187.50 for work done after the deemed date of withdrawal of 27 June 2025 which suggests that the amount of £3,500 should be reduced by £150. The Tribunal, however, adopts a broad-brush approach with the assessment of costs under section 33(1) of the

1993 Act and accepts that the amount of solicitors' costs recoverable and incurred before the date of the deemed withdrawal should be the amount of £3,500 plus VAT together with the HM Land Registry Fees and courier charges as represented in the invoice paid by the Applicant.

21. The Applicant claimed valuation fees of £1,950 plus £390 VAT = £2,340. The valuation was carried out by Mr Mit Kotak a Chartered Surveyor and Director of Professional Valuations at Chestertons. The claim is supported by an invoice for the sum of £1,950 plus VAT of £390 VAT making a total of £2,340 in the name of Chestertons and addressed to the Applicant.

22. The Applicant also supplied a breakdown of Mr Kotak's time and hourly rates. This showed that Mr Kotak spent eight hours in respect of his valuation at a charge of £3,500 which significantly exceeded the fee charged.

23. The Respondent did not challenge and made no representations on the valuation costs incurred by the Applicant.

24. The Tribunal is satisfied that valuation fee of £1,950 plus VAT was reasonable and incurred by the Applicant in pursuant of the Respondent's notice of claim and incidental to the matter identified in section 33(1(d) of the 1993 Act.

Decision

25. **The Tribunal orders the Respondent to pay the Applicant legal fees of £3,500 plus £700 VAT =£4,200 ; valuation fees of £1,950 plus £390 VAT = £2,340; Land Registry Fees of £24 plus £4.80 VAT = £28.80, and Courier Fees of £17 plus £3.40 VAT = £20.40 in accordance with section 33 of the 1993 Act. The total amount payable by the Respondent is £6,589.20.**

RIGHTS OF APPEAL

1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.

2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.

3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for 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.

4. The application for permission to appeal must 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.