



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

Case reference	:	LON/00AN/OC9/2026/0014
Property	:	1-19 Digby Mansions Hammersmith Bridge Road London W6 9DE
Applicants	:	Digby Mansions Freehold Ltd
Representative	:	Longmore (Solicitors)
Respondents	:	1-19 Digby Mansions Freehold Ltd
Representative	:	Howard Kennedy (Solicitors)
Type of application	:	Determination under Section 33 of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal Member	:	N. Martindale BSc MSc FRICS
Date of determination and venue	:	11 May 2026 First Tier Tribunal (London) HMCTS 10 Alfred Place, London WC1E 7LR
Date of decision	:	11 May 2026

DECISION

Background

1. This is an application made under the provisions of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) in relation to the prospective enfranchisement of the Property. In their application the applicants (the former owners) sought determination of their costs as landlord, in considering and responding to the application

for enfranchisement received from leaseholders' new company (the new owners). The parties have very similar names; unfortunate and confusing to the reader when considering correspondence and representations made.

2. The principal initial notice of claim was issued and counter notice provided. Terms for the transfer of title from former to current owners are settled between the parties. It remains the issue of the costs of the former owner incurred in the process, some of which may be recovered from the new owner, under S.33 ss(1).
3. Directions dated 18 February 2026 were issued. These included requirements for the content and timing of submissions on the substantive matters of dispute over the S.33 costs. The application was listed for determination in the week commencing 11 May 2026. Neither party requested a hearing in person or online, but were content with a paper determination.

Law

4. Section 33 is reproduced in the Appendix 1 to this decision. It deals with freehold purchases. Similar provisions are set out at Section 60 for costs arising in the case of lease extensions.
5. The proper basis of assessment of costs in enfranchisement cases under the 1993 Act, whether concerned with the purchase of a freehold or the extension of a lease, was set out in the Upper Tribunal decision of *Drax v Lawn Court Freehold Ltd* [2010] UKUT 81 (LC), LRA/58/2009. That decision related to the purchase of a freehold. The costs incurred by the landlord of obtaining professional services, in responding to a claim must be reasonable and have been incurred in dealing with the Notice and any subsequent transfer. The same approach applies to lease extensions.
6. Those landlord costs incurred and arising from the claim for purchase of a freehold must be for the purposes listed at S.33 (1) (a - e) 1993 Act, and from the claim for extension of a lease the purposes listed at S.60 (1)(a - c). The tenant is also protected either by section S.33(2) or S.60(2). Both sub-sections effectively limit recoverable costs to those that the landlord would be prepared to pay if it were using its own money rather than being paid by the tenant.
7. In effect, this introduces what was described in *Drax* as a "(limited) test of proportionality of a kind associated with the assessment of costs on the standard basis." It is also the case, as confirmed by *Drax*, that the landlord should only receive its costs where it has explained and substantiated them. Furthermore when a court is determining costs, and

where there is any doubt, the benefit should be resolved in favour of the paying party, CPR44.3 (2)(b).

8. It does not follow that this is an assessment of costs on the standard basis (let alone on the indemnity basis). This is not what S.33 or S.60 says, nor is *Drax* an authority for that proposition. Both sections are self-contained.

Statute

Leasehold Reform Housing and Urban Development Act 1993: S.33. 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).

9. The Tribunal considered the case of *Sidewalk Properties Ltd v Twinn* [2015] UKUT 0122 (LC). Among other matters it distinguished between professional and administrative costs. The Act at S.33 or S.60, only allows the landlord to claim for the cost of *professional* services but not for administrative task. At paras 36-38 Martin Rodger QC wrote:

36. I agree with the appellant that the task of instructing a surveyor is incidental to a valuation. Nevertheless in a case such as this it is an administrative rather than a professional task which no doubt relies on the use of standard instructions given to a surveyor who is very familiar with the requirements of statutory valuations under the 1993 Act. A client would not expect to be charged an additional fee for such tasks, the expense of which is subsumed instead in the fee payable to the solicitor.

37. I also accept that considering the valuation report of the surveyor is a task incidental to the valuation itself. Moreover, it is not an administrative task and it is legitimate, in my opinion, for the client to expect the solicitor to consider the valuation and to be satisfied that it is in accordance with the basis of valuation required by the Act. I can see no reason why a client should not reasonably and willingly expect to pay for that task to be undertaken, even where he is liable to meet the cost personally.

38. In a case in which an experienced surveyor is engaged to provide a valuation of a very modest property the work involved in considering and advising on the report ought not to be particularly time consuming. In this case it is said to have taken 12 minutes to advise on a single report and take instructions, which seems reasonable.”

Representations item by item

(Applicant: Respondent) & Decision

10. At p.37 of the Bundle the applicant sets out a schedule of work the items, the hourly rates and costs that were said to be incurred carrying out the tasks covered by S.33 and therefore capable of being recovered from the respondent.
11. The schedule contains some 29No. entries. Unhelpfully for the Tribunal none of the items are numbered. In its Decision the Tribunal has therefore adopted a numbering system to aid identification of items.

These are divided into groups. Under statute subsection 1a, (items 1-12), 1b (items 13-18), 1d (items 19-28) and the Total (item 29). There are no items claimed under sub-section 1c.

12. Equally unhelpfully for the Tribunal the respondent has adopted some 20No. paragraphs of responses to the 28No. separate items of claim that the Tribunal has identified in the applicant's Schedule. The respondent provides few if any firm alternative timings, rates or item cost substitutes to those sought by the applicant, adopting a more basic argument that timings are excessive, staff grades involved too high for the work or that the relevant item falls entirely outside of S.33 as irrecoverable.
13. **Under subsection 1a, Applicant's Scheduled Items No.1-12,**
14. **Schedule Item 1.** Applicant: Receipt of instructions, notice, calls emails to client and agent. (2.3hr@£325/hr John Wagstaff) £813.50 sought. Respondent: The item blends receipt of notice and an initial review with general client communication without clear timings. A partner's time is better spent elsewhere; this is associate paralegal work. No figure specified. **Decision:** Too long spent on routine tasks suitable for a more junior staff member. Client explanations and relations are not covered by ss1a: £1.5hr@£325/hr= **£487.50** allowed.
15. **Schedule Item 2.** Applicant: Investigating titles, plans lease of flats (2hr@£325/hr John Wagstaff) £650 sought. Respondent: *"...only the core title work is recoverable and that costs must be explained.... The schedule does not identify what proportion... claimed relates strictly to recoverable title work..."* **Decision:** Time division between recoverable and irrecoverable not provided and again a matter for a more junior staff member: £1hr@£325/hr= **£325** allowed.
16. **Schedule Item 3.** Applicant: Emails with opponent requesting deductions of titles... collating documents, absent documents reporting to client. (3.5hr@£260/hr Polja Atkins) £910 sought. Respondent: (as Item 2). **Decision:** Time division between recoverable and irrecoverable not provided: 2hr@£260= **£520** allowed.
17. **Schedule Item 4.** Applicant: Considering extent of relevant premises with reference to plans considering value of rooftop. (3hr@£325/hr John Wagstaff) £975 sought. Respondent: Consideration of titles are only relevant in identifying the interests to be acquired, not their value. There were no unusual or complex features identified by the applicant here. Valuation is a task for the valuer; not for the solicitor. In any case this does not fall within SS1a. **Decision:** 1hr@£325/hr= **£325** allowed.
18. **Schedule Item 5.** Applicant: Research into the law arising from Item 4. (2hr@260/hr Polja Atkins) £520 sought. Respondent: Legal research is not recoverable for issues not identified by the applicant to be

investigated. **Decision:** Time for general legal research is irrecoverable. **£NIL** allowed.

19. **Schedule Item 6.** Applicant: Considering extent of appurtenant property. (1hr@£260/hr Polja Atkins) £260 sought. Respondent: This work would have been undertaken at the time considering the initial notice and the extent of the premises to be acquired. This is a duplication of that time. Disallow. **Decision:** Time for repetitive work where there is nothing complex about any appurtenant lands if any to be included in the transfer. **£NIL** allowed.
20. **Schedule Item 7.** Applicant: Considering grant of permanent rights over rooftop terrace or alternative and advising freeholder. (3hr@£325/hr John Wagstaff) £975 sought. Respondent: *"...it does not extend to strategic consideration of alternative structures or negotiation positions beyond what was necessary to give effect to the statutory process... it is a strategic negotiation matter not an investigation or conveyance."* Disallow. **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.
21. **Schedule Item 8.** Applicant: Correspondence with the applicant about the S.13 notice. (1.5hr@£260/hr Polja Atkins) £390 sought. Respondent: *"...only the recovery of the reasonable costs of and incidental to the statutory categories of investigation, title, valuation and conveyance tactical positioning or negotiation... entry is vague... no detail given."* The correspondence appeared to centre on the validity disputed for a period until challenged by the respondent. Costs appear to most closely ally to that incident, the matter of separate proceedings. Disallow. **Decision:** This work falls out side of S.33 (1). **£NIL** allowed.
22. **Schedule Item 9.** Applicant: Advising client on offers to be made to the applicant inside and outside of the statutory process including instructing Polja Atkins. (2.5hr@£325/hr John Wagstaff) £812.50 sought. Respondent: negotiations and actions outside of the statutory process. Disallow. **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.
23. **Schedule Item 10.** Applicant: Drafting S.21 notice. (1hr@£260/hr Polja Atkins) £260 sought. Respondent: Preparation and double checking by staff at excessive level, as well as the initial drafting of a very short simple document. **Decision:** **£260** allowed.
24. **Schedule Item 11.** Applicant: Checking of S.21 notice by Partner (0.6hr@£325/hr John Wagstaff) £195 sought. Respondent: as item 10. **Decision:** duplication of work **£NIL** allowed.
25. **Schedule Item 12.** Applicant: Correspondence with the opponents about the S.21 notice and other offers made by the freeholder about

shareholdings. (4.1hr@£260 Polja Atkins) £1066 sought. Respondent work of negotiation which is not covered by the Act. **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.

26. **Under subsection 1b, Applicant's Scheduled Items No.13-17,**

27. **Schedule Item 13.** Applicant: Considering the set up of shareholding of freehold company and shareholding structure of nominee purchaser. (3.3hr@£325/hr John Wagstaff) £1072.50 sought. Respondent most of work appears to fall outside of the Act. **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.

28. **Schedule Item 14.** Applicant: *"Investigating nominee purchasers obligation to disclose participation agreement and or third party funding of collective enfranchisement premium."* (1.2hr@£260/hr Polja Atkins) £312 sought. Respondent: Falls outside the Act. **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.

29. **Schedule Item 15.** Applicant: *"Advising clients in conference regarding participating tenants rights to take part in collective enfranchisement."* (2hr@£325/hr John Wagstaff) £650 sought. Respondent: Matter concerns relations between applicants not between the applicant and respondent. *"Such advisory work is part of strategic or general legal advice and does not fall within the statutory categories."* **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.

30. **Schedule Item 16.** Applicant: *"Considering valuation report and discrepancy between premiums in initial notice and valuers report."* (2@£325/hf John Wagstaff) £650 sought. Respondent: Is prepared to concede that consideration of a valuation may sway the counter notice response and figure included, but other validity considerations are not. **Decision:** It is unclear what work this includes and some appears outside of S.33 (1) **Decision: £325** allowed.

31. **Schedule Item 17.** Applicant: *"Research on legal position re premium in respect of validity of notice."* (2@£325/hf Polja Atkins) £520 sought. Respondent: see Item 16. **Decision: £260** allowed.

32. **Under subsection 1d, Applicant's Scheduled Item No.18**

33. **Schedule Item 18.** Applicant: *"Advising client on valuation..."* (3.5hrs@£325/hr) £1137.50 sought. Respondent: *"...valuation advice may fall within section 33(1)(d). However the time claimed must be reasonable. The valuation itself was undertaken by a surveyor instructed by the freeholder. Solicitors are not valuers."* **Decision:** *"...solicitors are not valuers."* **£NIL** allowed.

34. **Under subsection 1d, Applicant's Scheduled Item No.18**
35. **Schedule Item 19.** Applicant: *"Reviewing titles, drafting transfer..."* (2hrs@£295/hr, Annette Monty) £590 sought. Respondent: Excessive time at too high a grade for the work involved and no details of the complexity. **Decision: £590** allowed.
36. **Schedule Item 20.** Applicant: Drafts and redrafts and settlement of transfer with applicant. (2.1hrs@£280/hr Polja Atkins). £588 sought. Respondent: Excessive time and involvement without details of any complexities. **Decision:** This staff members rate is already established at £260/hr. **£546** allowed.
37. **Schedule Item 21.** Applicant: *"Drafting contract for sale"*. (Mitin Bhalsod 3.3hrs@£250/hr). £825 sought. Respondent: Excessive time and involvement without details of any complexities. **Decision: £825** allowed.
38. **Schedule Item 22.** Applicant: *"Reviewing contract for sale."* (1hr@£375/hr Rachael Spalton) £375 sought. Respondent excessive time and involvement without details of any complexities. **Decision: £375** allowed.
39. **Schedule Item 23.** Applicant: *"Dealing with exchange of contract for sale and deposit..."* (2.5hr@£250/hr Mitin Bhalsod) £625 sought. Respondent: Appears to be routine work involving too many staff at too high a grade. **Decision: £625** allowed.
40. **Schedule item 24.** Applicant: *"Liaising with client and managing agent re deposit funds and original deeds and documents break down of service charges arrears of rent and service charges."* (3.5hrs@£295/hr Polja Atkins). Respondent: (see Item 23). **Decision:** 2hrs at £260/hr the established rate) **£520** allowed.
41. **Schedule item 25.** Applicant: *"Completion and transfer of freehold to include drafting completion."* (5hrs@£250/hr Mitin Bhalsod) £1250 sought. Respondent (see Item 23). **Decision: £625** allowed.
42. **Schedule item 26.** Applicant: *"Advising client on lien for costs."* (2hrs@£370/hr John Wagstaff) £740 sought. Respondent. Falls outside of the Act a matter of security for debt claim. **Decision:** This work falls outside of S.33 (1). **£NIL** allowed.
43. **Schedule item 27.** Applicant: *"Dealing with lien following refusal to agree costs prior to completion."* (2hrs@£370/hr John Wagstaff) £1091.50 sought. Respondent: (see item 26). **Decision: £NIL** allowed.

44. **Schedule item 28.** Applicant “*Registration of UN1 with Land Registry*”. (0.1hrs@£200/r Lindsey Reed Cook). £20 sought. Respondent: (see item 26). **Decision : £NIL** allowed.
45. **Schedule item 29. Total** Applicant: £19,143.50 (plus VAT) sought. Respondent: A reasonable sum for this work would be £5,558 (plus VAT) after applying reduced hours for some tasks, National 2 hourly rates for all and excluding many of the other items entirely. A maximum of £6000 (plus VAT) should be allowed to be recovered under S.33 from the respondent purchaser here.
46. The respondent refers to the *National 2 (outside London) guideline Hourly rates*) as Grade A- £288, B- £247, C- £200, D-£142. These figures appear to be the current ones produced by HM Government as guidance as to Solicitor’s hourly rates. They are; “*Guideline figures for carrying out a summary assessment of court costs, listed by pay band and grade for different parts of the country.*”
47. **Decision:** Too many items have been included by the applicant when they clearly fell outside of S.33 for possible recovery. In the view of the Tribunal this overstatement damaged other parts of the costs claim; the items, the hourly rates, the complexity of work; the grade of staff required. A summary of the experience and number of qualified years held by the relevant staff involved, was not found by the Tribunal in the bundle. Hourly rates for the same individuals involved also rise in later items but, no explanation is offered.
48. The respondent refers the Tribunal to the publicly available *National 2 (outside London) guideline Hourly rates*) as Grade A- £288, B- £247, C- £200, D-£142. These figures appear as the current ones produced by HM Government as guidance as to Solicitor’s hourly rates: They are; “*Guideline figures for carrying out a summary assessment of court costs, listed by pay band and grade for different parts of the country.*” Nevertheless the Tribunal is content with the original (though not the later updated) hourly rates levied by the applicant’s solicitors for those items allowed here and makes no changes to those hourly rates as filed.

Decision Summary

49. The Tribunal determines applicant’s recoverable legal costs under S.33 at **£5,723.50.** plus VAT. The parties have agreed HMLR costs and the Valuer’s fee.

Name: N. Martindale

Date: 11 May 2026

Appendix 1

Leasehold Reform, Housing and Urban Development Act 1993

S33.— 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] 1 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.

Appendix 2 – 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.