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

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| **Case reference** | **:** | **SR/LON/00AG/OC6/2026/001** |
| **Property** | **:** | **21 Canfield Place, London NW6 3BT** |
| **Applicants** | **:** | **Mr Terence Walker**<br>**Ms Mary Walker** |
| **Representative** | **:** | **Mr Christopher Macartney - Bishop & Sewell LLP** |
| **Respondents** | **:** | **London Underground Limited** |
| **Representative** | **:** | **Mr Steven Thom – Eversheds Sutherland (International) LLP** |
| **Type of application** | **:** | **Section 20ZA of the Landlord and Tenant Act 1985 - Dispensation with consultation requirements** |
| **Tribunal** | **:** | **Judge J P Donegan**<br>**Mr Ian Holdsworth FRICS (Valuer Member)** |
| **Date of Decision** | **:** | **18 May 2026** |

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**DECISION**

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## Decision of the Tribunal

**The following sums are payable by the applicants for the respondent's disputed costs, pursuant section 9(4) of the Leasehold Reform Act 1967 ('the Act'):**

- **Legal fees - £13,218.50 plus VAT (Total £15,862.20/Fifteen Thousand, Eight Hundred and Sixty-Two Pounds and Twenty Pence)**

- **In-house surveyor costs - £1,160 plus VAT (Total £1,392/One Thousand Three Hundred and Ninety-Two Pounds)**

## The background

1. These proceedings arise from an enfranchisement claim under the Act. At the time of the claim the applicants held an underlease of 21 Canfield Place, London NW6 3BT ('the Property), their immediate landlords were Andrew Kasriel and Andew Kolesnikov, who hold a headlease of 13 to 27 Canfield Place and their freeholder was the respondent.

2. The underlease was granted on 09 March 2020 for a term of 125 years less 3 days from 09 March 2000 at a peppercorn ground rent.

3. The Property is adjacent to the respondent's railway at an open-air section of Finchley Road Underground Station and sits above a retaining wall at track level.

4. The applicants served a notice claiming the right to acquire the freehold of the Property on 30 April 2024. At that time the underlease had approximately 101 years unexpired. No counternotice was served and the parties agreed the price of the freehold at £7,000 including £100 for the head-lessees' interest. They were unable to agree the costs payable to the respondent under s.9(4) of the Act and the applicant gave security for these costs so the freehold purchase could proceed. The purchase completed on 11 September 2025.

5. The Tribunal received an application to determine the s.9(4) costs on 12 September 2025. Directions were issued on 08 January 2026, and the application was allocated to the paper track, to be determined without an oral hearing. Neither party has objected to this allocation or requested an oral hearing. The paper determination took place on 13 May 2026.

6. The Tribunal was supplied with a bundle of documents in accordance with the directions. This included copies of the application, directions, the parties' statements of case, various invoices and title documents, the enfranchisement notice of claim and the transfer deed dated 11 September 2025.

7. The relevant legal provisions are set out in the appendix to this decision.

**Sums in dispute**

8. The applicant has agreed the legal costs payable to the head-lessees, as well as the respondent's valuation fee (£2,250 plus VAT) and disbursements (£48 plus VAT). The sums in dispute are:

- Respondents' legal fees - £29,320.50 plus VAT
- Respondent's in-house surveyor costs - £4,386.25 plus VAT

9. The respondent's solicitors, Eversheds Sutherland (International) LLP ('Eversheds') rely on a detailed statement of costs dated 12 February 2026. This includes details of the fee earners, their charging rates and a breakdown of their time. The work was undertaken by Mr Balraj Birdi (Partner/Grade A - £360 per hour plus VAT), Mr Steven Thom (Principal Associate/Grade A - £275ph plus VAT), Ms Natalie Carr (Associate/Grade C - £230ph plus VAT) and Ms Katherine Dorkins (Trainee Solicitor/Grade D - £100ph plus VAT). Mr Birdi and Mr Thom both have considerable post qualification experience of enfranchisement claims. At the time of the claim, Ms Carr had over three years' post qualification experience of enfranchisement claims.

10. The statement of costs included a detailed breakdown of the fee earners' time, in four distinct categories. The total time claimed under s.9(4)(a) is:

- Mr Birdi – 9.3 hours @ £360 (£3,348 plus VAT)
- Mr Thom – 11.3 hours @ £275 (£3,107.50 plus VAT)
- Ms Carr – 27.6 hours @ £230 (£6,348 plus VAT)
- Ms Dorkins – 2 hours @ £100 (£200 plus VAT)

11. The total time claimed under s.9(4)(b) is:

- Mr Birdi – 1.2 hours @ £360 (£432 plus VAT)
- Mr Thom – 41.2 hours @ £275 (£11,330 plus VAT)
- Ms Carr – 10.4 hours @ £230 (£2,392 plus VAT)

12. The total time claimed under s.9(4)(c) is:

- Mr Thom – 1.9 hours @ £275 (£522.50 plus VAT)
- Ms Carr – 2 hours @ £230 (460 plus VAT)

13. The total time claimed under s.9(4)(e) is:

- Mr Thom – 1.7 hours @ £275 (£467.50 plus VAT)
- Ms Carr – 3.1 hours @ £230 (£713 plus VAT)

14. The statement of costs includes various invoices raised by Eversheds. These total £54,887.10 plus disbursements and VAT and have been paid

in full. This figure includes the claimed fees of £29,320.50 plus VAT, with the balance not being recoverable under s.9(4).

15. The statement of costs also includes details of the work undertaken by the respondent's in-house surveyor, Ms Suzanne Spooner, whose work is charged at £145 per hour plus VAT. The total time claimed for Ms Spooner, who is a principal surveyor is:

- s.9(4)(a) – 10.75 hours @ £145 (£1,558.75 plus VAT)
- s.9(4)(b) – 17.25 hours @ £145 (£2,501.25 plus VAT)
- s.9(4)(e) – 2.25 hours @ £145 (£326.25 plus VAT)

The respondent's solicitors say they have been supplied with supporting timesheets, but did not disclose these. Nor was an invoice disclosed, as "*Due to its internal processes, the Respondent is unable to issue invoices to the Applicant for costs claimed until the costs are either agreed or determined.*"

16. There was no detailed breakdown of Ms Spooner's time. Paragraph 4 of the directions set out the requirements for the respondent's schedule (statement) of costs, namely:

*The schedule shall identify the basis for charging legal and/or valuation costs. If costs are assessed by reference to hourly rates, detail shall be given of fee earners/case workers, time spent, hourly rates applied and disbursements. The schedule should identify and explain any unusual or complex features of the case.*

It only referred to legal and/or valuation costs. It did not specifically require details of the in-house charges, but this should have been obvious.

17. The respondent relies on the following unusual and complex features of the enfranchisement claim:

(a) it is the operator of the London Underground train network, and its primary responsibility is to ensure the safety and security of users and to ensure operational railway assets are safeguarded.

(b) the proximity of the Property to railway assets meant thorough investigations were required to determine if it had to dispose of the freehold and, if so, the terms of the transfer deed required careful drafting to ensure risks are mitigated as far as possible,

(c) the location adjacent to the railway track and above a retaining wall at track level, means the rear of the Property can only be accessed safely under the respondent's supervision and there are risks the use of the Property could interfere with the safety and security of the railway and its users,

(d) assessing qualification for enfranchisement was complicated and required detailed investigation of (i) the 'overlapping' exclusion at s.2(2) of the Act, (ii) whether the applicants met the residence test at s.1(1ZB) and (iii) whether the Property fell within the definition of a 'house' at s.2.

(e) preparing the transfer deed, being a transfer of part, was complicated and required extensive negotiations with the applicants' solicitors,

(f) the head-lease meant the respondent's solicitors had to liaise with and conduct the claim on behalf of the head-lessees, review the head-lease title documents and draft/negotiate a head-lease transfer deed,

(g) the respondent's freehold is unregistered, which required consideration of various title documents when deducing title to the applicants, and

(h) the claim was generally protracted and complicated, running from 30 April 2024 to 11 September 2025, which generated extensive correspondence.

18. The applicants rely on a statement of case dated 05 March 2026. Their grounds for disputing the costs are summarised below:

(a) the costs are grossly disproportionate to the value of the freehold (£7,000),

(b) had they known, prior to starting the claim, the respondent's costs would exceed £40,000 (including the agreed valuation fee and VAT) they might not have proceeded,

(c) whilst there was a degree of complication, this does not justify the fees claimed,

(d) they supplied the respondent's solicitors with an expert report, regarding qualification for enfranchisement, at the outset,

(e) they also supplied photographic evidence there was no railway structure below the Property,

(f) they have agreed and paid the valuation fee,

(g) in ***Drax v Lawn Court Freehold Ltd [2010] UKUT 81 (LC***) and ***Trustees of John Lyon's Charity v Terrace Freehold LLP [2018] UKUT 0247 (LC)*** the Upper Tribunal emphasised that costs must be proportionate (***Drax***) and modest premiums do not justify extravagant legal involvement (***Terrace***),

(h) the respondent does not appear to have considered these principles and has incurred costs that are grossly disproportionate to the complexity and value of the claim,

(i) the duration of the claim is not unusual and does not excuse the level of the respondent's costs,

(j) in relation to legal fees, much of the time claimed is excessive given the specialist experience of the fee earners and/or involves duplication,

(k) the in-house surveyor's report has not been disclosed but the time claimed is excessive and some of her work duplicated that undertaken by the solicitors, and

(l) they have offered £10,000 plus VAT for the legal costs, on an open basis but dispute the in-house surveyor's fee in its entirety as the respondent has not actually incurred this cost.

19. The applicants do not challenge the fee earners' hourly rates for the legal fees but dispute various items in the detailed time breakdown. They propose the following, alterative totals:

s.9(4)(a) – "*no more than 12 hours*"

s.9(4)(b) – 10 hours

s.9(4)(c) – "*no more than 2 hours*"

s.9(4)(e) – 1.8 hours (based on their assertion that 3 hours of the claimed time is unreasonable).

20. The respondent replied in a statement in response dated 12 March 2025. In brief, it contends:

(a) there were significant complications as to qualification and the form of the freehold transfer deed that necessitated the costs claimed, which were justified and proportionate,

(b) there was a very real prospect the Property did not qualify for enfranchisement, which necessitated extensive investigations,

(c) the 'expert report' supplied by the applicants was an email from their solicitors with comments from Bell & Marston Surveyors, it was unclear which comments were provided by the surveyors and the photographic evidence relied on was incorrect,

(d) the conclusiveness of this evidence is denied,

(e) serving a counternotice was unnecessary and would only have increased its costs,

(f) the unusual circumstances (public safety) go beyond consideration of the premium and could not be ignored, which means the costs are proportionate,

(g) the freehold transfer deed negotiations were extensive,

(h) it had several concerns relating to the safeguarding of the railway and there were significant discussions regarding access to the rear of the Property,

(i) a separate transfer had to be drafted and agreed for the head-lease,

(j) the duration of the clam was significant,

(k) there were multiple title deeds to review, including the unregistered freehold,

(l) in-house qualification investigations were particularly labour intensive and required the involvement of multiple teams, to provide instructions to solicitors,

(m) ascertaining the correct valuation basis under the Act is complicated,

(n) the in-house surveyor investigated the physical elements of the Property to determine qualification and, later, instruct on the drafting of the freehold transfer deed,

(o) the solicitors are not qualified to interpret or opine on these physical aspects,

(p) the surveyor also obtained information from other in-house teams, including an engineer's report (the cost of which has not been claimed) and assisted with the preparation of the transfer plans, and

(q) s.9(4) can include in-house costs in accordance with ***Re Cressingham Properties Ltd [1999] 2 E.G.L.R. 117*** and ***Columbia House Properties (No.3) Ltd v Imperial Hall Freehold Ltd [2015] UKUT 0045 (LC).***

## The Tribunal's decision

21. The Tribunal determines that the following sums are payable by the applicants in relation to the disputed costs:

- Legal fees - £13,218.50 plus VAT
- In-house surveyor's costs - £1,160 plus VAT.

## Reasons for the Tribunal's decision

22. Costs are only payable under section 9(4) if they are reasonable. Further, they must be costs of or incidental to any of the matters at subsections (a) to (e). There is no express requirement of proportionality. Unlike sections 33(2) and 60(2) of the Leasehold Reform, Housing and Urban Development Act 1993 ('the 1993 Act'), there is no additional safeguard restricting the costs to those a landlord would incur if they were paying the bill. Having said that, proportionality will be a factor when looking at the reasonableness of the costs.

23. In this case, the underlease had approximately 101 years unexpired when the notice of claim was served and the ground rent was a peppercorn, so the premium was always going to be modest. This should have informed how the respondent dealt with the claim. The price of the freehold was agreed at £7,000, including £100 for the head-lessees. Given this figure, costs of approximately £35,000 plus VAT (including the agreed valuation fee) are extremely high and, in purely financial terms, are obviously disproportionate.

24. We accept the location of the Property, adjacent to railway track and on top of a retaining wall, complicated the claim and led to additional costs. Establishing qualification was not straightforward, nor was the conveyancing once terms were agreed. The freehold transfer deed runs to 16 pages and includes detailed rights and covenants. Drafting and agreeing this was inevitably a lengthy process and required input from the in-house surveyor. The fact the respondent's freehold title is unregistered and the existence of the headlease also generated additional work and costs. Having said all of that the legal work was largely undertaken by specialist enfranchisement lawyers who should be well used to these complexities.

25. The respondent's costs are to be assessed on a summary basis. We have adopted a broadbrush approach to the legal fees, rather than analysing the respondent's schedule on a line-by-line basis. The use of Grade A fee earners was justified, given the complexities of the Act and the specialist nature of the work **(*Sinclair Gardens Investments (Kensington) Limited v Wisbey [2016] UKUT 0204*).** However, the use of three different solicitors was not, and we accept this led to duplication of work.

26. The qualification investigations were largely undertaken by the in-house surveyor, who dealt with the physical aspects of the Property. The solicitors only had to deal with the legal issues. In relation to s.9(4)(a) we allow the time claimed for Mr Thom (11.3 hours) but reduce the time claimed for Mr Birdi to 2 hours and disallow the time claimed for Ms Carr and Ms Dorkins, in full. Mr Birdi's role should have been limited to oversight, given Mr Thoms is a Grade-A fee earner with over 10 years' experience of enfranchisement. The involvement of two Grade A fee earners means there is no justification for additional work by Grade C and D fee earners.

27. Turning now to the conveyancing (s.9(4)(b)), we allow the time claimed for Mr Birdi (1.2 hours) but reduce the time claimed for Mr Thoms to 27.5 hours and disallow the time claimed for Ms Carr. Whilst the transaction had complicating factors, it was not so unusual as to require 41.2 hours of Mr Thoms' time. Given his specialist experience, we have reduced his time by one-third. Again, there was no justification for additional work by a Grade C fee earner.

28. We allow the time claimed for deducing, evidencing and verifying the title to the Property (s.9(4)(c)) for Mr Thoms and Ms Carr, in full. In this instance, the involvement of a Grade C fee earner was justified as some of the work was suitable for delegation and no work was undertaken by Mr Birdi.

29. In ***Wisbey***, the Upper Tribunal held that solicitor's costs in instructing a valuer and in considering the valuer's report are costs "*of and incidental to*" the valuation and are properly recoverable provided they are

reasonable. In that case, which concerned section 60 of the 1993 Act, the Upper Tribunal allowed 0.4 hours for considering and discussing the valuation but nothing for instructing the valuer (on the basis this was purely administrative). In the present case, it appears the respondent instructed the valuer. 1.8 hours is claimed for Ms Carr's time determining the correct valuation basis under the Act and considering the valuation advice, which we allow in full. All the other time claimed refers to "*obtaining the valuation*", and we disallow this on the basis it was purely administrative or duplicated the work of the in-house surveyor.

30. The hourly rates claimed were not challenged and are reasonable. We allow them in full. It follows that the sums allowed are:

- s.9(4)(a) – £3,827.50 plus VAT (£4,593)
- s.9(4)(b) – £7,994.50 plus VAT (£9,593.40)
- s.9(4)(c) - £982.50 plus VAT (£1,179)
- s.9(4)(e) – £414 plus VAT (£496.80)

These total £13,218.50 plus VAT, which is approximately twice the price of the freehold. Whilst disproportionate, it is reasonable having regard the complexity and significance of the claim. We should add that we can see nothing in the Upper Tribunal's decision in ***Terrace*** to support the proposition that modest premiums do not justify extravagant legal involvement. In any event, legal fees of £13,218.50 plus VAT are not extravagant in the context of this claim.

31. Turning now to the in-house surveyor's fees, we accept these can be recovered provided they are reasonable, having regard to ***Cressingham*** and ***Columbia House***. Further, we accept it was reasonable for Ms Spooner to investigate the physical aspects of qualification for enfranchisement, notwithstanding the information from the applicants' surveyor. The investigation necessarily involved an inspection of the Property and the adjacent railway track, liaising with colleagues and reporting to Eversheds. It was also reasonable for Ms Spooner to assist with aspects of the conveyancing given her knowledge the Property and to instruct the valuation surveyor. Where we differ from the respondent is on the time claimed. It is for the landlord to prove the sums claimed are both reasonable and recoverable (***Drax*** and ***Wisbey***). The time claimed for Ms Spooner appears excessive given she works in-house and should be familiar with the issues arising on this type of claim. The respondent has not provided a detailed breakdown of her time or disclosed her timesheets. In the absence of such information, we have assessed the time using our knowledge and experience, from our work at the Tribunal and in professional practice. We allow 5 hours for investigating the claim (s.9(4)(a)), 2 hours for assisting with the conveyancing (s.9(4)(b)) and 1 hour for instructing and liaising with the valuer (s.9(4)(e)).

32. Ms Spooner's rate of £145 plus VAT is also reasonable. Again, there was no challenge, and we allow this in full. This means we allows the following sums:

- s.9(4)(a) – £725 plus VAT (£870)
- s.9(4)(b) – £290 plus VAT (£348)
- s.9(4)(e) – £145 plus VAT (£174)

These total £1,160 plus VAT, which is proportionate to the price of the freehold.

33. For the sake of completeness, we record there was no challenge to the respondent's entitlement to VAT. For this reason, we have allowed VAT on all sums determined.

**Name:** Judge J P Donegan **Date:** 18 May 2026

## Rights of appeal

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. If the Tribunal refuses to grant permission to appeal, a further application for permission may be made to the Upper Tribunal (Lands Chamber).

## Appendix of relevant legislation

### Leasehold Reform Act 1967

### Section 9 Purchase price and costs of enfranchisement, and tenant's right to withdraw

…

(4) Where a person gives notice of his desire to have the freehold of a house and premises under this Part of the Act, then unless the notice lapses under any provision of this Act excluding his liability, there shall be borne by him (so far as they are incurred in pursuance of the notice) the reasonable costs of or incidental to any of the following matters –

(a) any investigation by the landlord or that person's right to acquire the freehold;

(b) any conveyance or assurance of the house and premises or any part thereof or of any outstanding estate or interest thereof;

(c) deducing, evidencing and verifying the title to the house and premises or any estate or interest therein;

(d) making out and furnishing such abstracts and copies as the person giving the notice may require;

(e) any valuation of the house and premises;

but so that 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.

(4A) Subsection (4) above does not require a person to bear the costs of another person in connection with an application to the appropriate tribunal.

…