

FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	**:**	**LON/00BJ/oc9/2026/0031**
Property	**:**	**28A THURLEIGH COURT, NIGHTINGALE LANE, LONDON SW12 8AP**
Applicants	**:**	**FARONCELL LIMITED**
Representative	**:**	**Wallace LLP Solicitors**
Respondent	**:**	**Esperanza Fronda**
Representative	**:**	**Morgan Hill Solicitors**
Type of Application	**:**	**Section 91 (2)(d) of the Leasehold Reform, Housing and Urban Development Act 1993**
Tribunal Member	**:**	**Mr D Jagger MRICS Valuer Chair**
Date of Decision	**:**	**4 August 2026**

DECISION

Introduction

1. This is an application made by the Applicant under section 91 of the Leasehold Reform, Housing and Urban and Development Act 1993 (as amended) ("the Act") for a determination of the statutory costs payable by the Applicant under section 60(1) of the Act to extend the lease the leasehold interest in relation to the property known as **28A THURLEIGH COURT, NIGHTINGALE LANE, LONDON SW12 8AP** ("the property").

2. The Applicant's entitlement to its costs under section 60(1) of the Act arises in the following way. Pursuant to section 91(2)(d) of the Act, the Applicant, (tenant) served a Notice on the Respondent dated 19 October 2023 to extend the leasehold interest of the property.

3. On 9 November 2023 the Respondent served a Section 42 Notice of claim to exercise right to a lease extension under the Leasehold Reform, Housing and Urban Development Act 1993

4. A counter notice was served by the Applicants on the 3 January 2024, which admitted the Applicant's entitlement to exercise its right to extend the leasehold interest in the property, but stated the Notice was invalid for various reasons. Subsequently, on the 10 April 2024 the Applicants wrote to the Respondents stating that due to a complete lack of correspondence and that no Application to the Property Chamber the Notice of Claim was deemed withdrawn as at 2 July 2024.

5. A schedule of costs was presented to the Respondents representative as follows: Legal fees (inclusive of VAT) £ 2,460.00 Valuation fees (inclusive of VAT) £ 1,140.00 Land Registry fees (inclusive of VAT) £14.40 Courier fees (inclusive of VAT) £6.60 **Total £3,675.00**

6. Helpfully, a detailed schedule of the Applicants legal costs has been provided by the Applicants solicitor, which we will refer to later. This sets out the level of fee earner and hourly rates claimed in respect, the attendances claimed for work carried out. The Respondent has not submitted a Statement of Case which contends these figures.

7. The Tribunal issued its standard cost directions 5 May 2025 that required the Landlord to prepare *"a schedule of costs sufficient for summary assessment"*.

The Landlord's proposed costs

8. The Applicant provided a schedule of the work undertaken [pages 31 of the bundle] The cost of all the items was said to be recoverable. For each item of the legal costs, the solicitors provided: the date, activity, description, fee

earner, hourly rate and amount. Legal work was provided by a partner. VAT was then added to these figures. The Respondent's total claim was accordingly £21,537.60 including VAT.

9. The Respondent states this is a somewhat unusual case which involved a claim made by the Applicant against the Respondent who are together acting as Receivers for the landlord. The added a greater deal of complexity to the case which featured an input from solicitors specialising in insolvency.

The Tenant's proposed costs

10. As previously mentioned, the Respondent has failed to comply with the Tribunal's Directions and has not engaged in these proceedings whatsoever.

Relevant Statutory Provision

11. Judicial guidance on the application of section 33 was given in the case of ***Drax v Lawn Court Freehold Ltd*** [2010] UKUT 81 (LC), LRA/58/2009. That case concerned 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. The decision (which related to the purchase of a freehold and, therefore, costs under section 33 of the Act, but which is equally applicable to a lease extension and costs under section 60) established that costs must be reasonable and have been incurred in pursuance of the initial notice and in connection with the purposes listed in sub-sections [60(1)(a) to (c)]. The Respondent tenant is also protected by section 60(2) which limits recoverable costs to those that the Applicant landlord would be prepared to pay if it were using its own money rather than being paid by the tenant.

12. 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.

13. 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 section 33 says, nor is ***Drax*** an authority for that proposition. Section 33 is self-contained.

14. Further judicial guidance was given by the Upper Tribunal about the relevant principles to be applied in ***The Trustees of John Lyons Charity v Terrace Freehold LLP*** [2018] UKUT 0247[1] when assessing costs under section 33 of the Act and, essentially, confirmed the principles laid down in ***Drax***.

Statutory framework

15. The Tenant's liability for payment of the Landlords' costs is governed by sections 60 of the Act. The relevant provisions are as follows:

60. – Cost of enfranchisement

(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 purpose 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 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 a leasehold valuation tribunal incurs in connection with the proceedings.

(6) In this section "relevant person" in relation to a claim by a tenant under this Chapter, means a 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.

Reasons for the Decision

18. Before turning to the specific costs, we make three preliminary points. The first relates to the time spent by the landlords' professional team. In assessing a reasonable time to undertake the tasks identified in sections 60(1) we have regard to our considerable experience both as specialist practitioners and as members of this expert tribunal: we can do no other.

19. The second relates to the basis of our assessment. We remind ourselves that we are not assessing costs on either the standard basis or the indemnity basis. The landlords' costs must nevertheless be reasonable, and this has been described as a limited test of proportionality.

20. Thirdly this tribunal has neither the expertise nor the resources to conduct a forensic and detailed assessment. We can only assess the costs in the round.

21. We deal firstly with the claimed hourly rates. The grades of the fee earner used by the Applicants solicitors was a Grade A for a Partner, at £575 per hour. The Tribunal's view was that this is a highly technical area of law mainly conducted by firms of solicitors with the requisite knowledge and experience, of which the Applicants solicitors are one.

22. Having regard to the technical nature of the work and the location of the firm, the Tribunal considered the grade of fee earner, and the hourly rate was reasonable in the sum of £575.

23. As to the work carried out by that fee earner that the Tribunal found it to be reasonably incurred and the time said to have been spent in completing the task is also reasonable. In addition, the Tribunal is in agreement with the costs for Land Registry and courier fees. The legal costs and fees are accepted by the Tribunal.

24. Turning to the valuer fees in the sum of £1,140 inclusive of VAT. The Tribunal notes an inspection was undertaken and a valuation report compiled. Once again, the Tribunal is of the opinion that this is a specialist area of valuation only conducted by firms of Chartered Surveyors with the requisite knowledge and experience, of which the Applicants Valuers are one. For these reasons the Valuers fee is accepted.

27. Accordingly, the Tribunal determined that the reasonable solicitors' legal costs and Valuers fee payable by the Applicant is **£3,675 inclusive of VAT.**

Duncan Jagger MRICS. Valuer Chairman 4 August 2026.

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 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).