



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

Case References	:	LON/00BA/OC9/2026/0039
Property	:	Flat 39, Wimbledon Close, The Downs, London SW20 8HL
Applicants	:	(1) Mr. Colin Smith (2) Mrs. Rosemarie Margaret Rice-Smith
Representative	:	Gregsons Solicitors (Ref: AAA/6624)
Respondent	:	Brickfield Properties Ltd.
Representative	:	Wallace LLP (Ref SB.B3225.1041.PG)
Type of Applications	:	For the determination of the costs payable by the Applicant pursuant to section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993
Tribunal Member	:	Judge S. J.Walker
Date and Venue of Hearing	:	Decided on the Papers
Date of Decision	:	11 August 2026

DECISION

Pursuant to section 60(1) of the Leasehold Reform, Housing and Urban Development Act 1993, statutory costs totalling £5,529.63 plus VAT (a total of £6,635.56) are payable by the Applicants to the Respondent.

Reasons

Background

1. This is an application made by the Applicants under section 91 of the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”) for a determination of the statutory costs payable by them under section 60(1) of the Act arising out of their application to acquire a new lease of the property from the Respondent.
2. The Respondent’s entitlement to its costs under section 60(1) of the Act arises as follows. On 25 February 2025 the Applicants served an initial notice on the Respondent under section 42 of the Act. A counter-notice was served on 30 April 2025.
3. The Respondent seeks to recover £4,472.50 plus VAT in legal costs together with Land Registry fees of £49 plus VAT, courier charges of £58.13 plus VAT and an agreed sum of £950 plus VAT for the valuer’s fee.
4. This application for a determination of costs was made on 3 March 2026. Directions were made on 20 May 2026. The directions provided that the application would be decided on the papers unless either party requested a hearing within 14 days of the date of the directions. No such request has been made. I considered rules 3 and 31 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 and was satisfied that it was appropriate to determine the application without a hearing.
5. In reaching my decision in this case I relied on a paginated bundle of 206 pages. References to page numbers are to the printed numbers in this bundle.

The Law

6. The liability of the Applicant to pay the Respondent’s costs is governed by section 60 of the Act, which provides, so far as relevant, as follows;
 - “(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 in pursuance of the notice 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 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;*

(2) *For the purpose 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 such costs....*

(5) *A tenant 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.*

7. Costs are, therefore, not to be assessed under either the standard basis or the indemnity basis. Nevertheless, costs must be reasonable. The case of Drax -v- Lawn Court Freehold Ltd. [2010] UKUT 81 (LC) makes it clear that the landlord should only receive its costs where it has explained and substantiated them.

The Application

8. In response to the directions, the Respondent produced a schedule of costs (pages 26-37). Sums were claimed under four heads, £950 plus VAT for valuer's fees, £4,472.50 plus VAT for legal fees, £49 plus VAT for Land Registry fees and £58.13 plus VAT for courier fees.
9. The Applicants' statement of case (pages 38 to 40) asserts that this was a straightforward lease conversion. They note that the Respondent's solicitors are specialists in this area of work and suggest that their hourly rates are high, even for London. They suggest that it should not be necessary for a partner to be engaged in routine lease extension work at an hourly rate of £575 and that it was not necessary for a partner to spend 2 hours considering a standard form section 42 notice on 26 February 2026. They suggest that 1 hour's consideration by a more junior fee-earner is appropriate. They add that the associate is highly competent and could have dealt with the initial steps at a rate of £375 per hour.
10. Complaint is made that a partner spent 0.9 hours dealing with routine matters and a further 0.5 hours reviewing the associate's work. The Applicants assert that it was the associate who drafted the new lease attached to the counter notice, not the partner. They also assert that the Respondent uses the same firm of solicitors in many lease extensions, that the draft lease is always the same, and needs no particular consideration. They argue that the work could have been done by the associate rather than the partner and that the time claimed for, and the cost, are both excessive.
11. The Applicants further argue that after 8 October 2025 all correspondence was in relation to the Tribunal proceedings and so not recoverable by virtue of section 60(5) of the Act.

12. The Applicants further argue that once the premium was agreed the new lease only had to have the premium added to it and that it was unreasonable to take 0.7 hours to do that. They also argue that apart from communications relating to the Tribunal application, only 8 communications were received by the Applicants, not the 14 claimed for.
13. The Applicants argue that it was not reasonable to employ a courier on 30 April 2025 when the counter notice was not due until 4 May 2025, and argue that two of the Land Registry fees are duplicates of a search obtained on 26 February 2025 and that the Applicants themselves deduced title.
14. In their application the Applicants state that they consider the total sum which is appropriate is £3,058.80, though it is not clear if this is inclusive of VAT.
15. The Respondent's statement of case is at pages 43 to 62 and is lengthy. In summary their response to the Applicants' case includes the following;
 - (a) they contend that both the form of the lease and the premium were not agreed until 5 December 2025 when the form of the lease was agreed;
 - (b) they rely on a number of recent Tribunal cases in which their charge out rates have been approved;
 - (c) the Respondent's solicitors have been acting for them for many years, have the knowledge and capacity to deal with enfranchisement matters, and it is reasonable for a fee earner with relevant experience to have conduct of such cases;
 - (d) the appropriate test is to consider what instructions would the Respondent ordinarily give if they were bearing the costs themselves ("the reasonable expectation test") and, given the long-standing relationship between the Respondent and their solicitors that test is met;
 - (e) that it is reasonable to employ appropriately experienced advisors given the consequences of not serving a valid counter-notice;
 - (f) it has not been suggested that any of the work set out in the costs breakdown was unnecessary;
 - (g) the time spent on 26 February 2026 by the partner was only 1.2 hours, which included a full review of the notice, the instruction of the valuer etc.;
 - (h) no time was claimed for the partner reviewing the associate's work;
 - (i) it is denied that the draft lease is the same in every case and no evidence of this has been provided;
 - (j) correspondence during the currency of the application to the Tribunal does not exclude it from the ambit of section 60
 - (k) the Applicants have not identified which communications it is alleged have not been received, there were 16 – these are then set out – and all fall within section 60. The fact that the correspondence may have also included reference to the Tribunal proceedings does not exclude it from the ambit of section 60;
 - (l) it was reasonable to employ a courier to serve the counter notice because of the consequences of failure to do so;

- (m) it was reasonable to obtain further land-registry documents to ensure that there had been no assignment of the property; and
- (n) all the costs claimed are reasonable

The Tribunal's Conclusion

16. I bear in mind that the test in this case is what costs might reasonably be expected to have been incurred by the Respondent if they were personally liable for the costs and I do so in the light of the long-standing professional relationship between the Respondent and their solicitors.
17. It appears to me that, in that context, and bearing in mind the complexity of the work involved, and the consequences of making errors, the Respondent would likely consider the costs charged to be reasonable even if they were incurring the costs themselves.
18. I bear in mind that whilst the cases to which I have been referred by the Respondent are not binding on me, and that I must consider this application on its own merit, they do provide an informative background to the application.
19. Having considered the submissions before me I accept that the Respondent was entitled to instruct their chosen solicitors and that the rates they charge are consistent with rates for Central London.
20. Having considered the Respondent's detailed rebuttal of the Applicant's statement of case, I am satisfied that the schedule of legal work provided is appropriate and that the complexity of the tasks involved, and the significant consequences of any error, required a skill level of that employed by the Respondent.
21. I accept the Respondent's arguments in relation to the use of a courier and the Land Registry fees.
22. It follows that I am satisfied that the statutory costs payable by the Applicants are as follows;

Legal Costs	£4,472.50 plus VAT
Land Registry Fees	£ 49.00 plus VAT
Courier Fees	£ 58.13 plus VAT
Valuer's Fee	£ 950.00 plus VAT

 Making a total of £5,529.63 plus VAT or £6,635.56.

Name: Judge S.J. Walker

Date: 11 August 2026

ANNEX - RIGHTS OF APPEAL

- The Tribunal is required to set out rights of appeal against its decisions by virtue of the rule 36 (2)(c) of the Tribunal Procedure (First-tier Tribunal)(Property Chamber) Rules 2013 and these are set out below.
- If a party wishes to appeal against 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.