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

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| **Case reference** | **:** | **LON/00AN/OC9/2026/0037** |
| **Property** | **:** | **211 Munster Road, London, SW6 6BX** |
| **Applicants** | **:** | **JWK209 Limited** |
| **Representative** | **:** | **Sanders Witherspoon LLP** |
| **Respondent** | **:** | **Munsters Road Freehold Limited** |
| **Representative** | **:** | **Anthony Gold Solicitors** |
| **Type of application** | **:** | **For the determination of the costs payable – s.33(1) of the Leasehold Reform, Housing and Urban Development Act 1993** |
| **Tribunal members** | **:** | **Valuer Charman Mr I B Holdsworth, FRICS** |
| **Venue** | **:** | **10 Alfred Place, London WC1E 7LR** |
| **Date of decision** | **:** | **18 August 2026** |

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**DECISION**

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## Decisions of the tribunal

1. The tribunal determines that the sum of **£5,858.64** is payable by the respondent to the applicant in respect of legal costs pursuant to s.33 of the Leasehold Reform, Housing and Urban Development Act 1993 **('the 1993 Act'**).

2. The tribunal determines that the sum of **£2,736** is payable by the respondent to the applicant in respect of valuation and other costs pursuant to s.33 of the 1993 Act. The sums are inclusive of vat where applicable.

## The application

3. The applicants seeks a determination as to the costs payable by the respondent pursuant to section 33(1) of the 1993 Act.

## The background

4. This application devolves from an initial application made on 2 April 2024 to the tribunal by the respondent nominee purchaser seeking the determination of disputed terms relating to the enfranchisement of the property, 211 Munsters Road London SW6 6BX ( "**the property**"). The property comprises a commercial unit at ground level with three self-contained flats above.

5. The application to tribunal follows the service of a Section 13 Initial Notice dated 24 October 2023 and a counternotice dated 21 December 2023 served by the respondent in reply.

6. The respondents subsequently issued vesting order proceedings on 11 June 2024 and Part 8 proceedings to vary the premium payable on 18 February 2025.

7. The Tribunal Directions were issued on 18 May 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.

8. 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 counter notice together with various copies of e mails.

## Sums in dispute

9. The applicants seek total fees of £14,132.40 inclusive of disbursements and vat. These are as follows:

    - Legal fees £8816 inclusive of vat
    - Valuation fees £5280 inclusive of vat
    - Disbursements £36

    Total sum claimed inclusive of vat £14,132.40

10. The respondent does not offer an alternative payable fee. They did make an earlier commercial settlement proposal of £5,160 inclusive of vat. This comprises a sum of £2,160 as valuation fee and £3,000 as legal costs. The respondent does not dispute that some Section 33 costs are recoverable in principle but argues that a substantial proportion of the applicant's claim should be reduced or disallowed.

## The applicants' case

11. The applicant's schedule records approximately 18 hours 36 minutes of work. The work includes:

    - Reviewing the Section 13 Initial Notice.
    - Correspondence with the nominee purchaser and solicitors.
    - Liaison with valuers.
    - Preparation of a Notice Requiring Evidence of Right.
    - Checking validity of the Initial Notice.
    - Drafting and serving the Section 21 Counternotice.
    - Reviewing valuation reports.
    - Preparation of transfer documentation. Completion arrangements and completion statements.
    - Post-agreement correspondence

12. The applicant contends a valid collective enfranchisement was pursued by the respondent and the landlord incurred professional legal and valuation costs in dealing with that statutory application. Section 33 entitle the landlord to recover such costs. Mr Jaswinder Veratch, solicitor for Sanders Wetherspoon LLP argued any fees that relate to dealing with the vesting order, or County court are not reflected in the submitted fee schedule. He also claims a basement lease extension granted by the respondent during the currency of the enfranchisement claim caused no delays and is not material to this S33 application.

13. The applicant relies upon Hortons Consulting invoice for valuation fees that shows two discrete charges, namely a freehold valuation charge at £2,550 and additional charges for freehold negotiations at £1,850, both sums plus vat at £880, a total of £5,280.

## The respondent's case

10. It was submitted by Mr Ian Mitchell of Anthony Gold Solicitors that his in principal objections to the S33 fee claim are that:

- The solicitor charged a Grade A fee earner rate of **£**395 per hour, which is claimed exceed the applicable Guideline Hourly Rates for Essex
- The schedule lacks sufficient narrative detail to justify that fee rate
- No evidence is produced explaining how the overall fixed fee alluded to on the invoice is calculated.
- There is a failure to prove reasonableness and thereby discharge burden of section 33(2) There are no detailed contemporaneous time records. It is unclear why all work required a senior solicitor. It is impossible to tell from information given whether routine work could have been delegated to a more junior fee earner.
- There is a disproportionate amount of time recorded prior to issue of Counter Notice on 21 December 2023. He claims this is disproportionate given the required work was limited to: Reviewing the Initial Notice; Taking instructions; Considering title; Preparing the Counternotice and Liaising with valuers. He argues this work should not reasonably have exceeded six hours.
- That the charges should be set off against monies due to the leaseholders from service charge reserves following the enfranchisement.
- Time recorded after 21 December 2023 relates only to Disputes, Negotiations Litigation Delays all caused by applicant's refusal to progress the statutory transaction.
- All post consent work claimed after 21 July 2025, the date the Consent Order was settled should be excluded.
- The fees for negotiation by the valuers should be excluded.

## The tribunal's decision

12. The relevant parts of section 33 of the 1993 Act states:

> (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.

13. The tribunal has sought guidance from the Upper Tribunal decision ***John Lyon's Charity v Terrace Freehold LLP*** **[2018] UKUT 0247 (LC)** regarding the need for reasonableness and proportionality of statutory landlord costs. The tribunal also referred to ***Drax v Lawn Court Freehold Ltd [2010] UKUT 81 (LC***) which states landlord costs should be proportionate to the complexity and value of the claim. The premium settlement at £20,500 gives some indication of these matters.

14. The Costs are only payable under section 33 if they are reasonable. Further, they must be costs of or incidental to any of the matters

described at subsections (a) to (e) reproduced at paragraph 12. There is an express requirement of proportionality in so much that section 33 (2) restricts the costs to those a landlord would incur *if they were paying the bill*.

15. The tribunal is given the applicants time sheet which it has reviewed and analysed. It is difficult to deduce from single line entries such as those entitled " *correspondence*" the need or action associated with that correspondence. Accordingly given the level of detail in the time sheet the applicants' costs are to be assessed on a summary basis. The tribunal have adopted a broadbrush approach to the legal fees, rather than analysing the respondent's schedule on a line-by-line basis.

16. The tribunal agrees with Mr Veratch that the legislation does not give necessary powers to offset legal and other professional charges from residual sums in service charge reserve funds. This request by the respondent is denied.

17. The fee of £395.00 per hour is agreed for Mr Veratch . This is deemed a reasonable fee rate for an experienced solicitor with the appropriate skill level necessary to deal with this statutory application. This skill level is justified, given the complexities of the Act and the specialist nature of the work **(see *Sinclair Gardens Investments (Kensington) Limited v Wisbey [2016] UKUT 0204*).**

18. The tribunal does not accept a person of the experience and skills of Mr Veratch should carry out every activity associated with the application. Many of the tasks are suited to administrative grade staff. The use of a higher skill staff member for such tasks is in conflict with the guidance offered by John Lyon's and Drax as well as good business practice. This is reflected in the sums allowed.

19. The tribunal has analysed and summarised the time sheet given by the Mr Veratch in the table 1 below:

| Category | Hours | Legal Cost (£395/hr.) | VAT @ 20% | Total incl. VAT |
|---|---|---|---|---|
| **Correspondence** | 7.02 | £2,772.90 | £554.58 | £3,327.48 |
| **Valuation Work** | 2.86 | £1,129.70 | £225.94 | £1,355.64 |
| **Counter-Notice Work** | 2.36 | £932.20 | £186.44 | £1,118.64 |
| **Transfer / Completion Work** | 2.96 | £1,169.20 | £233.84 | £1,403.04 |
| **Post Counter-Notice Costs** | 3.40 | £1,343.00 | £268.60 | £1,611.60 |
| **Total** | **18.60** | **£7,347.00** | **£1,469.40** | **£8,816.40** |

1. The categories in table 1 are taken from the applicant's time sheet at "Activity".
2. The hours are summarily allocated in accordance with the "Activity" description.

20. Dealing initially with proportionality if the premium agreed at £20,500 is compared with the overall fees charged of £14,132.40 the fees represent almost 70% of the premium. Fees at this level conflict with the guidance offered by authorities Drax and Jonh Lyon's Charity. There is no explanation given in the applicant's submission why more than 2/3rds of the premium should be taken up by fees. The tribunal are not told this was a difficult legal enfranchisement or that any pertinent valuation issues took extra time. They are given no cogent reasons why this enfranchisement needed to incur professional costs beyond that typically associated with such procedure. The tribunal have accordingly used their experience and knowledge of such typical charges in these matters when appraising the reasonableness of the applicants S33 fees.

21. Some 37.5 % or around 7 hours of time is allocated to "*correspondence*" These correspondences are given Activity such as *"sent out to Claimant*" or "*sent out to Defendants Legal representative*" The tribunal acknowledge the need for such exchanges but due to the lack of detail it is unable to identify the justification, purpose or relevance of all correspondence. Some of this work could have been delegated to administrative grade staff. The allowed time is reduced to 5 hours.

20. The "*valuation work*" all relates to dealing with the valuer. Some of these tasks could have been delegated to lessor skilled staff. Some of the time allocations are generous for the task described, for example "*reading valuation report 1 hour*" . The tribunal reduce the proportion of time charged from 15% to around 5% or 1 hour.

22. The Counter Notice work is allowed in full but the time chargeable for Transfer completion and Post Counter Notice Costs is reduced. The Transfer completion work from 2.96 to 2 . The time allowed to carry out these tasks must reflect the skills and experience of Mr Veratch The tribunal has had regard for the respondent's assertion that fees charged after the date of the Consent Order should not be allowable. They are also aware of the numerous ancillary procedures being pursued at or around the post counter notice period. It is for these reasons the time allowed is reduced from 3.4 to 2 hours.

23. The tribunal assess a reasonable fee for valuation of 3 residential units as £1,500 plus £750 for the valuation of the commercial unit. A total charge of £2,250 which plus vat equates to £2,700. These fees are based on the experience and knowledge of the tribunal. Under section 33 the costs of negotiation with the nominee purchaser are not allowable. The disbursement of £36.00 is allowed.

24. In summary the tribunal reduce the chargeable time allowed from 18.6 hours to 12.36. This is equivalent to a fee of £5,858.64 inclusive of vat They also reduce the charges for the valuation from £4,280 to £2,700 inclusive of vat and allow the disbursement of £36.

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

**Name:** Valuer Chairman Ian B Holdsworth **Date:** 18 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 should be made on Form RP PTA available at https://www.gov.uk/government/publications/form-rp-pta-application-for-permission-to-appeal-a-decision-to-the-upper-tribunal-lands-chamber

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).