



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

**Case Reference** : **LON/00BF/OC9/2022/0124**

**HMCTS code  
(paper, video, audio)** : **P: PAPER REMOTE**

**Property  
Surrey,** : **30 Holly Court, Worcester Road, Sutton,  
SM2 6QB**

**Applicant** : **Simon Conroy Lewis Youlton**

**Representative** : **In person**

**Respondent** : **Abacus Land 4 Limited**

**Representative** : **Knights (Solicitors)**

**Type of Application** : **Enfranchisement - costs**

**Tribunal Members** : **Judge Robert Latham  
Mark Taylor MRICS**

**Date and venue of  
paper determination** : **12 October 2022 at  
10 Alfred Place, London WC1E 7LR**

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**DECISION**

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The Tribunal determines the section 60 statutory costs in respect of legal fees in the sum of £1,565 + VAT (£1,878); valuation fees at £500 + VAT (£600) and Land Registry fees at £21, a total of £2,499.

**Covid-19 pandemic: description of hearing**

This has been a remote hearing which has not been objected to by the parties. The form of remote hearing was P:PAPER REMOTE. The Directions provided for the application to be determined on the papers unless any party requested a hearing. No party has requested a hearing. The Applicant has provided a Bundle of Documents of 56 pages.

## **Introduction**

1. The Applicant tenant has sought a lease extension pursuant to the Leasehold Reform, Housing and Urban Development Act 1993 (“the Act”). The current application by the tenant is for the determination of the costs payable by the tenants under section 60(1) of the Act. The landlord seeks costs in the sum of £2,979 (inc VAT), namely (i) Legal Fees: £1,565 + VAT; (ii) Valuation Fees: £900 + VAT; and (iii) Land Registry fees: £21.
2. On 20 July 2022, the Tribunal issued its standard Directions. Pursuant to these, the Applicant has provided a Schedule of Costs (at p.50). The Applicant is also claiming £900 + VAT for Valuation Fees. It seems that this is a fixed fee charged by Bureau Property Consultants. The invoice, dated 2 December 2021, is at p.51. Finally, Land Registry fees of £21 are claimed. The Applicant was asked to identify any unusual or complex features to the case. No such features have been identified.
3. The Applicant has provided his submissions on costs (at p.2-43). He exhibits four FTT decisions. He suggests that the following sums should be payable: (i) valuation fees of £400 + VAT and (ii) legal fees of £1,194 + VAT. He notes that Bureau Property Consultants conducted a desk based valuation. The Applicant obtained an estimate from Bradley Harris Ltd who quoted £400 (exc VAT) for a desktop survey and £700 (+ VAT) were an inspection to be required (see p.16). He suggests that the solicitors spent an excessive amount of time on "obtaining advice and title docs" – 1.5 hours should be reduced by 50%. The new lease was based on the extended lease for Flat 28. He complains about the £41 claimed for "arrangement for management company to sign the counterpart lease". He had arranged for the Management Company to sign the new lease.
4. The Respondent's submissions on costs are at p.48-51. Knights are based in Chester. The solicitor conducted the enfranchisement charged £200 ph increasing to £220. He qualified in 2019. He was assisted by a legal executive who charged £170 ph increasing to £205. These rates are not unreasonable for National 2 Fee Earners.
5. This was a straight forward lease extension. On 22 November 2021, the tenant served his Section 42 Notice proposing a premium of £7,500. On 13 January 2022, the landlord served a Counter Notice proposing a premium of £14,365. The parties agreed a premium of £11,000. There had been other lease extensions in the block in respect of which the landlord's valuer had acted. The lease was based on that used for Flat 28. The legal executive was responsible for preparing and agreeing the draft lease.

## **The Statutory Provisions**

6. Section 60 provides, insofar as relevant for the purposes of this decision:

“(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 purposes 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 all 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 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 the landlord for the purposes of this Chapter... or any third party to the tenant's lease.”

### **The Principles**

7. In *Metropolitan Property Realisations v Moss [2013] UKUT 415*, Martin Rodger QC, the Deputy President, gave the following guidance on the approach to be adopted:

“9. These provisions are straightforward and their purpose is readily understandable. Part I of the 1993 Act is expropriatory, in that it confers valuable rights on tenants of leasehold flats to compel their landlords to grant new interests in those premises whether they are willing to do so or not. It is a matter of basic fairness, necessary to avoid the statute from becoming penal, that the tenant exercising those statutory rights should reimburse the costs necessarily incurred by any person in receipt of such a claim in satisfying themselves that the claim is properly made, in obtaining advice on the sum payable by the tenant in consideration for the new interest and in completing the formal steps necessary to create it.

10. On the other hand, the statute is not intended to provide an opportunity for the professional advisers of landlords to charge excessive fees, nor are tenants expected to pay landlords' costs of resolving disputes over the terms of acquisition of new leases. Thus the sums payable by a tenant under section 60 are restricted to those incurred by the landlord within the three categories identified in section 60(1) and are further restricted by the requirement that only reasonable costs are payable. Section 60(2) provides a ceiling by reference to the reasonable expectations of a person paying the costs from their own pocket; the costs of work which would not have been incurred, or which would have been carried out more cheaply, if the landlord was personally liable to meet them are not reasonable costs which the tenant is required to pay.

11. Section 60 therefore provides protection for both landlords and tenants: for landlords against being out of pocket when compelled to grant new interests under the Act, and for tenants against being required to pay more than is reasonable.”

### **The Tribunal's Determination**

#### Legal Fees - Sum Claimed: £1,565 (+ VAT)

8. A Schedule of Costs has been provided. We are satisfied that the hourly rates are reasonable. We do not consider that an excessive amount of time was spent on investigating the Applicants right to a new lease or on the other work connected to the enfranchisement. The sums claimed are not unreasonable for a straight forward lease extension of this nature.

#### Valuation Fees – Sums Claimed: £900 (+ VAT)

9. The Tribunal is satisfied that the valuer's fees are excessive for a desktop valuation for a straight forward lease extension of this nature. The Tribunal has regard to the estimate obtained by the Applicant. The Tribunal assesses valuation fees in the sum of £500 (+ VAT).
10. The Tribunal sees no reason to disallow the Land Registry fee of £21.

**Judge Robert Latham,  
12 October 2022**

## **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).