

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case reference : LON/00BG/LAM/2024/015

Property : 50 Westferry Road, London E14

8LW

(1) Alessandro Cangiani (Flat 1)

(2) Serena Ping (Flat 2)

Applicants : (3) Vivienne Leng (Flat 3)

(4) Subhashih Roy (Flat 4)

Wenyang Zhang (Flat 5) Christina Hadjiyiannakis (Flat 8)

Representatives : Mr Cangiani and Ms Leng

Respondent : KAL Estates Limited

Representative : Mr Ikumawoyi, from T V Edwards

LLP, Solicitors

Type of application : Appointment of a manager

Tribunal members : Tribunal Judge I Mohabir

Mr D Jagger FRICS

Date of hearing : 21 October 2024

Date of decision : 22 October 2024

DECISION

Introduction

- 1. This is an application made by the Applicants under section 24 of the Landlord and Tenant Act (as amended) ("the Act") for an order in respect of the 8 leasehold flats at 50 Westferry Road, London E14 8LW ("the property").
- 2. The property is comprised of 8 long leasehold flats above commercial premises on the ground floor of the property. The Applicants are the various leaseholders joined in the application. The Respondent was the former freeholder of the property, but was struck off from the companies register on 26 December 2023 and dissolved on 2 January 2024. As a result, the freehold interest in the property vests in the Crown. It was common ground that, as at the date of the hearing, no application had been made to reinstate the freehold company.
- 3. The various historic management failures complained of by the Applicants on the part of the Respondent are set out in paragraph 4 of the Applicants' statement of case. Primarily, these concern the former freeholder's failure to properly repair and maintain the property. For reasons that will become apparent, it is not necessary to set these out in any detail.

The Law

- 4. Section 24 of the Landlord and Tenant Act 1987 provides:
 - "(1) A leasehold valuation tribunal may, on an application for an order under this section, by order appoint a manager to carry out, in relation to any premises to which this Part applies-
 - (a) such functions in connection with the management of the premises, or
 - (b) such functions of a receiver, or both, as the Tribunal thinks fit.
 - (2) A leasehold valuation tribunal may only make an order under this section in the following circumstances, namely-
 - (a) where the tribunal is satisfied-
 - (i) that any relevant person either is in breach of any obligation owed by him to the tenant under his tenancy and relating to the management of the premises in question or any part of them...
 - (ii) ..
 - (iii) that it is just and convenient to make the order in all the circumstances of the case;
 - (ab) where the tribunal is satisfied-
 - (i) that unreasonable service charges have been made, or are proposed or likely to be made; and
 - (ii) that it is just and convenient to make the order in all the circumstances of the case;

(aba)...

(abb)...

(ac) where the tribunal is satisfied-

- (i) where any relevant person has failed to comply with any relevant provision of a code of practice approved by the Secretary of State under section 87 of the Leasehold Reform, Housing and Urban Development Act 1993 (codes of management practice), and
- (ii) that it is just and convenient to make the order in all the circumstances of the case;
- (b) where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made.

Hearing

- 5. The hearing took place on 21 October 2024. The Applicants were represented by Mr Cangiani and Ms Leng. Mr Ikumawoyi informed the Tribunal that he appeared on behalf of the Respondent. However, the Tribunal pointed out that this could not be correct because the Respondent company was dissolved. It transpired that Mr Ikumawoyi had been instructed just prior to the hearing by Mr Kawak, the former director of the company.
- 6. The Tribunal was, therefore satisfied that Mr Ikumawoyi's client was in fact Mr Kawak who had no standing in the proceedings nor was he able to make representations on behalf of the company, which was dissolved.
- 7. For these reasons, it was not necessary for the Tribunal to consider the admissibility of the evidence filed by Mr Kawak on 18 October 2024, as he is not a Respondent or party to the proceedings. Nevertheless, Mr Ikumawoyi informed the Tribunal that his client did not oppose the application in principle. The Tribunal was, therefore, faced with an unopposed application.

Section 22 Application

8. Pursuant to section 22(3) of the Act, the Tribunal granted the Applicants' application made to dispense with the requirement to serve a preliminary notice under section 22(1). It did so on the basis that it was not reasonably practicable for the Applicants to serve a notice because the Respondent company had been dissolved.

Section 24 Application

9. Therefore, the only issue before the Tribunal was whether the Applicants' proposed managed, Mr Kingsley, possessed the relevant knowledge and experience to be appointed as the manager of the property.

- 10. Mr Kingsley's professional qualifications and relevant experience were set out in paragraph 14 of the Applicants' statement of case. In addition, the Tribunal conducted its own cross examination of Mr Kingsley in relation to his knowledge and experience. The Tribunal also attached significant weight to the fact the Mr Kingsley had currently been appointed as a Manager by the Tribunal in four other cases.
- 11. Strictly speaking, it was not necessary for the Tribunal to make findings about the various management failures complained of by the Applicants, as the application was not opposed. However, for the avoidance of doubt, pursuant to section 24(2)(a) (i) and (iii) the Tribunal found that management failures set out in paragraph 4 in the Applicants' statement of case had been made out and that it was just and convenient to appoint a manager.
- 12. The Tribunal also found that Mr Kingsley possessed the relevant knowledge and experience to be appointed as the Manager of the property on the terms set out in the management order annexed to this decision. The Tribunal's appointment is forthwith because the property has been uninsured since April 2024.

Section 20C & Paragraph 5A, Schedule 11 of the Commonhold and Leasehold Reform Act 2002

- 13. Mr Ikumawoyi submitted on behalf of his client that the Tribunal should not grant either of the applications so he could recover the costs he had incurred from the Applicants.
- 14. However, the Tribunal pointed out that this was not a submission he could properly make because his client was not a party to the leases and had no contractual (or other) entitlement to his costs. The only party that could seek to recover any such costs was the former freehold company, but when it was dissolved, the contractual entitlement to recover its costs was extinguished.
- 15. Arguably, therefore, it was not necessary for the Tribunal to make orders under section 20C of the Landlord and Tenant Act 1985 and/or under paragraph 5A in Schedule 11 to the Commonhold and Leasehold Reform Act 2002. However, for the avoidance of doubt, the Tribunal orders that the Respondent is not entitled to retrospectively seek to recover any costs it may have incurred in relation to this application in the event that it is subsequently reinstated. The orders are made under both statutory provisions. The Tribunal was satisfied that it was just and equitable to do so for two reasons. Firstly, it is difficult to envisage what costs the Respondent may have incurred given that it remained dissolved during these proceedings. Secondly, given that the application has succeeded entirely, it would be wholly unjust and inequitable for the Applicants to be liable for the Respondent's costs.

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).