

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CAM/26UJ/LVM/2013/0001

CAM/26UJ/LVM/2024/0002

Flats 1-5, 134 High Street

Property : Rickmansworth

Hertfordshire WD3 1AB

**Applicant/Manager** : Matthew Stephen Young

1. Skylord Properties Ltd

2. Official Receiver3. Baljinder Singh

4. Jeffrey Benveniste (Flat 1)

Respondents : 5. Daniel Peppett (Flat 2)

6. Mr A Demin (Flat 3) 7. Ryan Norris (Flat 4)

8. Culdip Kaur Gangotra & Pavan

**Kumar Gangotra (Flat 5)** 

Tribunal members : Judge David Wyatt

Date of decision : 7 February 2025

### **DECISION**

## **Decision**

- (1) The tribunal finds that the management order dated 1 August 2013 is continuing in force.
- (2) With effect from the date of this decision, the tribunal varies that order as set out in the accompanying management order.
- (3) By **14 February 2025** the Applicant must send a copy of this decision and the accompanying management order to each Respondent (in the case of Mr Singh, to his last known contact details as directed previously), to help ensure they receive them as soon as possible.

#### **Reasons**

- 1. Under a management order dated 1 August 2013, a tribunal reappointed the Applicant as manager of the five residential flats and common parts serving these at 134 High Street, Rickmansworth under section 24 of the Landlord and Tenant Act 1987 (the "Act"). The appointment was expressed to be for an indefinite term, subject to the right to apply for further directions/discharge.
- 2. The 134 High Street building has a ground floor shop, with the two floors above it accommodating the five residential flats. In 2001, a 999-year head lease of the upper floors and staircase was sold to Mr Baljinder Singh, who granted at least one of the 125-year flat leases in 2002 but thereafter did not comply with the obligations under the head lease and the flat leases. As a result, the Applicant was appointed as manager for two years from April 2011. The management order made in August 2013 then re-appointed him.
- 3. In 2022, the Applicant discovered that Mr Singh had been made bankrupt. The Applicant liaised with the Official Receiver about the rights and obligations under the head lease, and sums collected from the flat leaseholders as ground rent.
- 4. On 18 March 2024, the Applicant wrote to the tribunal office explaining that the freehold had been sold on 12 January 2024. He was unsure about the status of his appointment following that sale and was concerned that it might have terminated. In April 2024, the tribunal replied that (while it could not advise) it might be appropriate to consider applying to the tribunal to vary/terminate the management order. Following <a href="Urwick v Pickard">Urwick v Pickard</a> [2019] UKUT 365 (LC) it appeared the purchaser may have taken the freehold title free of the management order but this may not have terminated the management order, particularly in view of the head lease.
- 5. On 30 August 2024, the Applicant made (in effect) an application for directions and/or termination. The Applicant understood that the new freeholder had insured the building, but had at that point been unable to communicate substantively with them. He noted that the Official Receiver had indicated that they may disclaim the head lease, but they have not yet done so. It appears there have since been discussions about potential purchase of the head lease from the Official Receiver.
- 6. On 10 September 2024, the tribunal gave case management directions, but these were set aside following a new application by the Applicant by letter dated 1 November 2024. The new freeholder and respondent, Skylord Properties Ltd (and Skylord Travel PLC) had responded constructively to the earlier application, with a helpful statement of case and witness statement. They confirmed they have buildings insurance cover in place but they would otherwise like the Applicant to continue to manage the Property under the management order pending

resolution of the position in relation to the head lease. The Applicant had responded helpfully in turn, by proposing to continue as manager on the terms described in his letter and it appeared the leaseholders essentially agreed. The Applicant confirmed that he was continuing his professional indemnity insurance cover and the Official Receiver still had not confirmed its position.

- 7. Accordingly, the tribunal gave new directions on 26 November 2024. These treated the Applicant's letter as an application under section 24(9) of the Act to vary the existing management order (instead of giving the directions he had previously been seeking). Since it appeared all active parties were keen to avoid the costs of a hearing, the directions noted the matters summarised above and proposed to decide on or after 3 February 2025 on paper, without a hearing, that the management order is continuing and to vary it essentially:
  - a. to confirm that the management order binds the Respondents, who must comply with it as varied;
  - b. so that Skylord Properties Ltd shall maintain appropriate buildings insurance cover and shall promptly send copies of the relevant policy documents and invoices to the Applicant so that he can seek to recover reasonable costs of insurance from leaseholders;
  - c. to prevent Skylord Properties Ltd from disposing of the freehold [if] the management order is continuing [unless] they have obtained a deed of covenant from the transferee to comply with it; and
  - d. to vary the management order so that it will continue until and terminate on 24 March 2026 (with the manager to then provide a report and closing accounts), with provision for any interested person to apply before then for earlier termination or for the order to be extended beyond that date.
- 8. The directions provided that if any party opposed this proposal, they must by 3 January 2025 send any representations and other documents (including any witness statement) they wish to rely upon, and send to the tribunal any request for a hearing. Otherwise, the tribunal would decide the matter on paper, without a hearing.
- 9. The solicitors for Skylord Properties Ltd initially responded arguing that there should not be any restrictions on sale, having been concerned by words in the directions which were typographical errors. They said they also trusted that management would be restricted to the flats. On 7 January 2025, I apologised for and corrected the typographical errors, as shown in square brackets above. I explained the standard provisions now in management orders to require a covenant from a purchaser to avoid the type of uncertainty which had

been caused by the freehold sale in this case. I observed that there was no proposal to change the property covered by the existing management order, which appeared to apply to the five residential flats and common parts serving the same.

- 10. On 14 January 2025, the solicitors for the freeholders responded: "As the management order is terminating on the 24 March 2026 our clients are happy for the matter to be dealt with on paper to save costs based on the representations made to date on behalf of our clients and would request that there be no restrictions on our client's title."
- 11. I understand there were no other objections or proposals. Pursuant to the directions, the Applicant produced his electronic bundle for the determination, which included his draft management order. This was based on the current standard form of management order used by the tribunal, with the Applicant's proposed amendments (to incorporate specific details and specific provisions from the existing management order, together with provision for the freeholder to insure) marked up. I understand there have been no comments on the draft.
- 12. I am satisfied that the 2013 management order is continuing (since that is not disputed), that variation of the order will not result in a recurrence of the circumstances which led to the order being made and that in the circumstances it is just and convenient to vary the order as set out in the accompanying management order. This largely follows the draft provided, but does not include some of the additional proposed wording because the substance of this is covered elsewhere in the template order.
- 13. I note that the new freeholder appears to be insuring and engaging constructively with the Applicant. I recognise that they would naturally prefer to have no restrictions in relation to their title. However, the interference is balanced by the termination date (subject to the protective extension provisions) in place of an indefinite order. It is merely procedural, requiring only a deed of covenant from the purchaser to comply with the order if they wish to dispose of the freehold while the management order is continuing. This is necessary to avoid the type of uncertainty caused by the sale of the freehold last year, or other potential problems.
- 14. Further, it will be open to the freeholder or any other interested person to apply to the tribunal for earlier termination or variation of the terms of the order.
- 15. For the avoidance of doubt, the extension provisions in the order should not be used lightly. The expectation is that the management order should terminate on 24 March 2026 unless there are very good/unforeseen reasons which mean an interested person has to apply to continue it temporarily. As has already been pointed out, the order is being continued and the specified date was proposed because it

appears to allow sufficient time for matters in relation to the head lease to be resolved and/or for the freeholder and flat leaseholders to make appropriate arrangements for future management.

# **Judge David Wyatt**

**7 February 2025** 

## Rights of appeal

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).