



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

Case reference : **LON/00BJ/LAM/2024/0017**

Property : **2-6 Hildreth Street Mews, London,
SW12 9RZ**

Applicant : **Sarah Ann Millar (Flat 5)
Sarah Sharp and Anthony Raymond
Buckley Sharp (Flat 8)
Daniel Richard Terrett (Flat 11)**

Representative : **Jonathan McNae (Counsel) instructed
by Northover, Solicitors**

Respondent : **Newridge Balham Limited**

Representative : **Kate Whittaker (Project Manager,
Newridge Group)**

Type of application : **Appointment of Manager**

Tribunal members : **Robert Latham
Sarah Phillips MRICS**

**Date and Venue of
Hearing** : **15 January 2025
at 10 Alfred Place, London WC1E 7LR**

Date of decision : **6 February 2025**

DECISION

Decisions of the Tribunal

(1) In accordance with section 24(1) of the Landlord and Tenant Act 1987, Neil Maloney FRICS FIRPM, of My Home Surveyor ('the Manager') is appointed as manager of the property at 2-6 Hildreth Street Mews, London, SW12 9RZ from 25 January 2025.

(2) The order shall continue to 24 December 2027. Any application for an extension must be made prior to the expiry of that period. If such an application is made in time, then the appointment will continue until that application has been finally determined.

(3) The Manager shall manage the Property in accordance with:

(a) the terms of the Management order which we have made, dated 17 January 2025;

(b) the respective obligations of the Landlord and the Tenants under the Leases whereby the Property is demised by the Landlord (save where modified by this Order);

(c) the duties of a Manager set out in the Service Charge Residential Management Code ("the Code") (3rd Edition) or such other replacement code published by the Royal Institution of Chartered Surveyors ("RICS") and approved by the Secretary of State pursuant to section 87 Leasehold Reform Housing and Urban Development Act 1993; and

(d) the provisions of sections 18 to 30 of the Landlord and Tenant Act 1985.

(4) The Manager shall register the order against the landlord's registered title as a restriction under the Land Registration Act 2002, or any subsequent Act.

(5) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 so that none of the landlord's costs of the tribunal proceedings may be passed to the lessees through any service charge.

(6) The Tribunal determines that the Respondent shall pay the Applicants £100 within 28 days of this Decision, in respect of the reimbursement of the tribunal fees paid by the Applicants.

Introduction

1. On 15 January 2025, at an oral hearing, the Tribunal agreed to make a Management Order. The Tribunal subsequently approved the terms of the Management Order which is dated 17 January 2025. This decision confirms the reasons for making the Management Order. The Applicants provided a Bundle of Documents extending to 879 pages in support of their application to which reference is made in this decision.

The Application

2. By an application, dated 31 May 2024, the Applicants seek an order appointing Neil Maloney as a manager of the property at Flats 1-14, 2-6 Hildreth Street Mews, London SW12 9RZ (“the Property”) under section 24 of the Landlord and Tenant Act 1987 (the “Act”). The Grounds of the application are set out at p.15-19. The Applicants also provided a Management Plan (at p.20-39) and a draft Management Order (at p.40-49).
3. On 2 July 2024, the Tribunal held a Case Management Hearing. The Applicants confirmed that any management order should not extend to the commercial premises at ground floor level. The Respondent failed to attend. However, on the evening before the hearing, Singleton Austin Ryder, Solicitors, notified the tribunal that the Respondent would not be attending but that it opposed the application.
4. On 20 August, the Applicants filed their Bundle of Documents including the particulars required by the Directions. They also served a witness statements from Neil Maloney (p.94-138); Sarah Ann Millar (Flat 5) (p.501-616), Anthony Raymond Buckley Sharp (Flat 8) (p.139-367), Daniel Richard Terrett (Flat 11) (p.139-367) and Lucas Fulling (Flat 9) (p.617-635).
5. By 1 October 2024, the Respondent was directed to file their Statement of Case in Response and any witness statements. The Respondent failed to comply with this Direction.

The Hearing

6. The Applicants were represented Mr Jonathan McNae (Counsel). He was accompanied by Ms Janice Northover, from his instructing solicitor. Ms Millar, Mr Sharp and Mr Terrett attended the hearing. The following tenants also attended: Ms Devine (Flat 3), Mr Fulling (Flat 9) and Ms Helvert (Flat 12). Mr McNae provided a detailed Skeleton Argument.
7. On 14 January, Singleton Austin Ryder notified the tribunal that they were no longer be acting for the Respondent. Ms Kate Whittaker would be attending on behalf of the Respondent and would now have conduct of the case. Ms Whittaker attended the hearing. She is not employed by the Respondent. She is rather the Project Manager for the Newridge Group. She was accompanied by Mr Steve Cockle, a Consultant with the Group.
8. Ms Whittaker stated that the Respondent did not oppose the making of the Management Order. However, she sought an order that the tenants should discharge their arrears. The Applicants denied that there were any arrears and asserted that there had been no lawful demands for any

service charges. The Tribunal informed the parties that our sole concern was the future management of the Premises. The Tribunal recognised that it would be necessary for the tenants to put the Manager in funds so that he could carry out his duties to manage the Property. If there are any arrears, it will be necessary for the Respondent to take separate proceedings to enforce them.

9. The proposed Manager, Mr Neil Maloney attended. The Tribunal asked him a number of questions to satisfy ourselves that he was an appropriate person to be appointed as a manager.

The Background

10. The property which is the subject of this application is a Victorian warehouse in Balham which has been converted to create commercial units on the ground floor and 14 residential flats on the first and second floors (“the Building”).
11. On 4 April 2003 (at p.837), the freehold interest in the Building was acquired by Adam Charles Gibbon, James Robert Jacomb Gibbon and Shaun Peter Moynagh who trade as Languard Investments (“the Freeholder”). The Freeholder is responsible for insuring the Property.
12. The Headlease (at p.853) is dated 20 January 2005. Under the Headlease, the tenant agrees to pay a “reasonable amount” in respect of the insurance of the whole development. This has been assessed at 65%, the same as the service charge contribution.
13. On 26 April 2013 (p.153), Anthony and Sarah Sharpe acquired the lease for Flat 8 as a buy to let investment. Their lease (at p.155) is dated 14 November 2007.
14. On 10 April 2017 (p.510), Sarah Millar acquired the lease for Flat 5. She is a first time buyer. Her lease (at p.512) is dated 25 January 2008.
15. In 2017, Lucas Fulling acquired the lease to Flat 9, together with his partner, Francois Dezwelle.
16. On 1 March 2021 (p.383), Daniel Terrett acquired Flat 11. He occupies the flat with his wife. His lease (at p.385) is dated 25 January 2008.
17. The Applicants complain that there has been no effective management for the past eight years. The Property had been managed by Hildreth Street Mews Mgt Company Limited. However, the tenants discovered that this company had been dissolved on 13 September 2016. In 2020, the Respondent appointed Ringley Limited to manage the Property. On 30 October 2023, Ringley terminated this agreement. On 18 July 2023,

the Respondent Company had been dissolved. There were outstanding debts to Ringley Limited. On 3 May 2024, the Respondent Company applied to Companies House to be reinstated. It is understood that it has now been reinstated.

18. In May 2024, Mr Maloney, the proposed Manager, inspected the Property. His Management Plan (at p.20-39) revealed a catalogue of historic neglect. A particular concern has been the Health & Safety of the Building and residents, particularly in relation to fire precautions. Mr Maloney has identified a backlog of maintenance items which need to be programmed over a reasonable period of time. Concerns had been raised as to whether the Building has been insured.

The Statutory Framework

19. Section 24(2) of the Act specifies the circumstances in which a tribunal may appoint a manager. These include where the tribunal is satisfied that:

- the landlord is in breach of its obligations owed by it to the tenant under the lease which relate to the management of the premises; or
- the landlord has made unreasonable service charges, or unreasonable service charges are proposed or likely to be made; or
- the landlord has failed to comply with relevant provisions 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
- it is just and convenient to make the order in all the circumstances of the case; or
- other circumstances exist which make it just and convenient for the appointment of a manager.

20. In July 2023, the Chamber President issued a revised Practice Statement on the Appointment of Managers under section 24. The Tribunal has had regard to this Practice Statement in considering the appointment of Mr Maloney as a Manager and the terms of the Management Order.

21. On 16 April 2024 (at p.60-85), the Applicant served its preliminary notice pursuant to section 22. The following grounds were specified:

(i) The Landlord was in breach of its obligations owed by it to the Tenants under the leases which relate to the management of the Property.

(ii) The Landlord had made/proposed unreasonable service charges.

(iii) The Landlord had failed to comply with relevant provisions of a Code of Practice approved by the Secretary of State under Leasehold Reform, Housing and Urban Development Act 1993, s.87, namely the Royal Institution of Chartered Surveyors, Service charge residential management Code, 3rd edition, as approved by the Approval of Code of Management Practice (Residential Management) (Service Charges) (England) Order 2016.

(iv) That other circumstances existed which made it just and convenient for the appointment of a manager.

The Notice provided full particulars of these grounds.

22. Having regard to the extensive material filed by the Applicants, the Tribunal is satisfied that:

(i) a valid section 22 notice has been served;

(ii) the grounds for making a management order have been satisfied; and

(iii) it is just and convenient for a management order to be made.

The Proposed Manager

23. The Tribunal is satisfied that Mr Maloney has the appropriate skills and experience to manage this Property which has been neglected for many years. Mr Maloney has provided (at p.94-138):

(i) a written statement of his residential management experience together with a management plan and proposed remuneration

(ii) details of his professional indemnity insurance; and

(iii) details of his previous appointments as a tribunal manager.

Mr Maloney confirmed that he is willing to accept the appointment.

The Terms of the Management Order

24. The Applicants provided a draft Management Order which complies with the Practice Statement. The Tribunal has approved this order with a number of refinements.

25. The Property is defined as “the flats and other premises on first to second floors known as 2-6 Hildreth Street Mews, London SW12 9RZ and registered at HM Land Registry under title number TGL252273 and shall include the building, outhouses, gardens, amenity space, drives, pathways landscaped areas, flower beds, passages, bin-stores, common parts, storage rooms basements, electricity and power rooms; and all other parts of the property exclusively used in common by the residential tenants”. It thus excludes the commercial premises on the ground floor.
26. The purpose of the Management Order is to provide for the management of the Property which includes taking steps to resolve the following problems of inadequate management which we have identified, namely:
- (i) There has been no effective management for the past eight years. Mr Maloney’s inspection in May 2024 revealed a catalogue of historic neglect;
 - (ii) A particular concern is the Health & Safety of the Building and residents, particularly in relation to fire precautions;
 - (iii) There is a backlog of maintenance items which needs to be programmed over a reasonable period of time; and
 - (iv) Concerns have been raised as to whether the Building has been insured. This is the responsibility of the Freeholder. On 21 August 2024, the freeholder confirmed that the Property was insured up to 8 September 2024.
27. The Tribunal has made the Freeholder an interested party to the Management Order as it is responsible for the insurance of the development. If the Freeholder fails to comply with the terms of this Order, the Manager must seek further directions from the Tribunal to ensure the Building is insured in accordance with the Head Lease.
28. The Manager has set his annual fee at £17,500 (net VAT) for the first year, reducing to £14,000 in the second year. This is £1,250 per flat, reducing to £1,000. This is at the top end of the scale. This Tribunal would normally expect the managing fee for a property of this nature to be between £300 to £400 pa. We would expect a significant uplift when a Manager is appointed, as an appointment is only required when there are serious management problems that need to be addressed. The Tribunal note that this level of fees has been approved in respect of the other properties that Mr Maloney has managed. The Applicants confirmed that they had approved these fees. Ms Devine (Flat 3), Mr Fulling (Flat 9) and Ms Helvert (Flat 12) who were present at the hearing, did not object. Mr Maloney stated that the fee had been computed on a time basis and agreed to review his fee after 6 months. In these circumstances, we are willing to agree the fees.

29. To ensure that the Manager has adequate funds to manage the Property, the Management Order provides for the Manager to immediately collect £2,500 from each Tenant. The Manager shall also have liberty to raise any additional reasonable demand of the Tenants at any point in time during a service charge year where this becomes necessary. Any such sums demanded by the Manager shall be paid within 28 days.
30. In the absence of any effective management by the Respondent, the tenants of Flats 12, 8, 9 and 5 have had to spend sums on repairs. The Management Order makes provision for the Manager to treat the costs that they have incurred in the sum of £12,817.61 relating to roof repairs (£8,600); electricity costs (£1,882.55); drainage repairs (£1,120); SSE costs (£1,035.06); fire detection (£180.00) as committed service charges in the current financial year.
31. The Management Order directs both the Respondent and Ringley Limited to give all reasonable assistance and cooperation to the Manager, so that he is able to carry out his duties under the Order.

Application under s.20C and refund of fees

32. The Applicants have paid tribunal fees of £100. The Tribunal orders the Respondent to refund this sum to the Applicants within 28 days of the date of this decision.
33. The Tribunal is further satisfied that it is just and equitable in the circumstances for an order to be made under section 20C of the 1985 Act, so that the Respondent may not pass any of its costs incurred in connection with the proceedings before the tribunal through the service charge.

The Next Steps

34. The appointment of a Manager by the tribunal is a remedy of last resort. It would always be open to the Respondent to agree to appoint My Home Surveyor, Mr Maloney's firm, to manage the property outside the supervision of this tribunal. The Leasehold and Freehold Reform Act 2024 makes provision for the 25% commercial limit to be raised. When this provision is brought into force, it would be open to the tenants to consider the option of the Right to Manage.

Judge Robert Latham
6 February 2025

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).