

# FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case References	:	LON/00AR/LRM/2024/0012 LON/00AR/LRM/2024/0029 LON/00AR/LRM/2024/0030 1) 1-12 Romside Place
Properties	:	<ol> <li>13-24 Romside Place</li> <li>25-33 Romside Place, Romford, RM7 7EE</li> </ol>
Applicants	:	<ol> <li>1-12 Romside Place (Romford) RTM Co Ltd</li> <li>13-24 Romside Place (Romford) RTM Co Ltd</li> <li>25-33 Romside Place (Romford) RTM Co Ltd</li> </ol>
Representative	:	Prime Property Management
Respondent	:	Assethold Ltd
Representative	:	Eagerstates Ltd
Type of Application	:	Right to Manage
Tribunal	:	Judge Nicol Mr K Ridgeway MRICS
Date and Venue of Hearing	:	27 <sup>th</sup> February 2025; 10 Alfred Place, London WC1E 7LR
Date of Decision	:	27 <sup>th</sup> February 2025

# DECISION

# The Tribunal has determined that the Applicants are entitled to exercise the Right to Manage for the respective properties.

Relevant legislation is set out in an Appendix to this decision.

# <u>The Tribunal's reasons</u>

- 1. The Tribunal received 3 applications under section 84(3) of the Commonhold and Leasehold Reform Act 2002 ("the Act") for a decision that, on the relevant date, the applicant RTM companies were each entitled to acquire the Right to Manage respective premises at Romside Place, Romford, Essex, RM7 7EE.
- 2. By claim notices dated 8<sup>th</sup> November 2023, the Applicants each gave notice that they intended to acquire the Right to Manage 1-12, 13-24 and 25-33 Romside Place respectively on 19<sup>th</sup> March 2024. By counter notices dated 14<sup>th</sup> December 2023, the Respondent freeholder alleged that:
  - (a) The First Applicant had failed to comply with sections 78(1), 79(2) and 80(3) of the Act;
  - (b) The Second Applicant had failed to comply with sections 78(2)(b), 78(2)(d), 78(3) and 80(3) of the Act; and
  - (c) The Third Applicant has failed to comply with section 79(3) of the Act.
- 3. The applications were heard together on 27<sup>th</sup> February 2025. The attendees were Mr S Wiles and Ms J Richmond, Prime Property Management, representing the Applicant. The Respondent did not attend.
- 4. The relevant documents were provided in a bundle of 191 pages.

## Proceed in absence

- 5. Under rule 34 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal may proceed with the hearing in the absence of the Respondent if satisfied that they had sufficient notice of the hearing and it is in the interests of justice to proceed.
- 6. The Respondent's then solicitors were notified of the hearing by email dated 20<sup>th</sup> November 2024. The Respondent and both their representatives in these proceedings, their solicitors, Scott Cohen, and their agents, Eagerstates, are frequent participants in matters before this Tribunal and normally use email for communication with the Tribunal. The Tribunal is therefore satisfied that they had sufficient notice of the hearing.
- 7. It has also become common in recent times for the Respondent to be absent from and unrepresented at hearings. There has been no communication ahead of the hearing addressing their attendance or seeking an adjournment. If the Tribunal were to adjourn, there is no reason to think it any more likely that they would attend next time. On the other hand, not proceeding would cause unnecessary and inconvenient delay for the Applicant, their members and the Tribunal.
- 8. Therefore, it is in the interests of justice to proceed in the Respondent's absence. Eagerstates set out their objections to the right to manage

clearly and concisely in the Respondent's Statement of Case, included in the bundle, and the Tribunal has considered each below in relation to each of the 3 properties.

## 1-12 Romside Place

- 9. The lessee of Flat 10 is Bosfan Ltd. Their application to become a member of the Applicant company purported to be from "Edward Boscaro, Director of Bosfan Ltd". The Respondent asserted that the application was from Mr Boscaro, not his company, and, therefore, the true lessee had not become a member of the RTM company.
- 10. Further therefore, the Respondent argued that Bosfan Ltd was not invited to participate in the right to manage which invalidated the subsequent claim notice. Also, the claim notice was wrong to list Bosfan Ltd as a member.
- 11. The Tribunal rejects this submission. The application was clearly from Bosfan Ltd. The fact that the person signing identified themselves is only appropriate, not misleading to any reasonable recipient. Further, whether Bosfan Ltd was a member of the company by the time of the claim notice is a matter of fact, irrespective of what happened previously.
- 12. The Tribunal is satisfied that there is no valid objection to the claim from the First Applicant to exercise the right to manage in respect of the first property, numbers 1-12. In accordance with section 90(4) of the Act, the acquisition date is 3 months from the date of this decision, 27<sup>th</sup> May 2025.

# 13-24 Romside Place

- 13. Flats 16 and 17 are held by joint lessees:
  - 16 Yasmin Mohamed Badat and Maarya Desai
  - 17 Philip David Sadler and Ursula Patino Sadler
- 14. Only the first of each pair of joint lessees were noted as members of the company in the notice of invitation to participate and the register of members. Under section 75(7) of the Act, joint lessees are together the qualifying tenant. The Respondent argued that the 2 flats were not properly listed as members and the notice of invitation to participate overstated the number of members. Further, the claim notice wrongly listed all the joint tenants as members.
- 15. Courts and Tribunals have had to grapple over the years with how to deal with situations where a statute specifies that something must be done but does not specify the consequences if it is not done. The Supreme Court has now ruled on this issue and did so in the context of the right to manage in *A1 Properties (Sunderland) Ltd v Tudor Studios RTM Co Ltd* [2024] UKSC 27; [2024] 3 WLR 601. The head note accurately records the substance of the judgement:

where there was no express statement of the consequences of a failure to comply with a statutory procedural requirement, the correct approach was to infer what consequences Parliament had intended non-compliance to have by looking at (a) the purpose served by the requirement as assessed in the light of a detailed analysis of the statute and (b) the specific facts of the case, having regard to whether any (and what) prejudice might be caused or whether any injustice might arise if the validity of the statutory process was affirmed notwithstanding non-compliance with the requirement; that, where property rights or contractual rights were involved, it was usually to be inferred that Parliament intended that there should be a reasonable degree of certainty regarding those rights and that a person should not be deprived of such rights without being accorded a fair opportunity to enter objections; that, thus, in evaluating whether a procedural failure under the right to manage regime contained in the Commonhold and Leasehold Reform Act 2002 had the effect of invalidating the process, the question to be addressed was whether a relevant party had been deprived by the procedural failure of a significant opportunity to have their opposition to the making of an order to transfer the right to manage considered, having regard to (a) what objections they could have raised and would have wished to raise and (b) whether, despite the procedural omission, they in fact had the opportunity to have their objections considered in the course of the process leading to the making of the order to transfer the right to manage; that if there was no substantive objection which the relevant party could have raised or would have wished to raise, or if their objection had in fact been considered in the process, the relevant party would have lost nothing of significance so far as the right to manage regime was concerned and the inference would be that Parliament intended that the transfer of the right to manage should be effective notwithstanding the omission.

- 16. In this particular case, the relevant parties are the joint lessees. Any error in excluding or including them in the right to manage process had no impact on the Respondent, not least because there were still sufficient participants in the right to manage even if these 2 flats were excluded. The evidence clearly shows that, not only did none of the joint lessees object to the exercise of the right to manage, they positively welcomed it.
- 17. The Tribunal is satisfied that the transfer of the right to manage for the second property, numbers 13-24, should be effective notwithstanding the apparent errors. Again, the acquisition date will be 27<sup>th</sup> May 2025.

#### 25-33 Romside Place

18. The Respondent requested the list of members for the Third Applicant. There appears to be no dispute that the list they received was accurate, with the names and flat numbers for all the correct participants. However, the title of the list said "13-24" instead of "25-33". It would appear that a template previously used for the Second Applicant had not been properly amended when then used for the Third Applicant.

- 19. The Respondent tried to make something of this obvious error by claiming that the Third Applicant had failed to keep a valid register of its members. This is nonsense. No reasonable person looking at the document would have been misled.
- 20. Again, the Tribunal is satisfied that the transfer of the right to manage for the third property, numbers 25-33, should be effective notwithstanding the apparent error. Also again, the acquisition date will be 27<sup>th</sup> May 2025.

Name:Judge NicolDate:27th February 2025

# Appendix of relevant legislation

# Commonhold and Leasehold Reform Act 2002

## <u>Section 72</u> Premises to which Chapter applies

- (1) This Chapter applies to premises if—
  - (a) they consist of a self-contained building or part of a building, with or without appurtenant property,
  - (b) they contain two or more flats held by qualifying tenants, and
  - (c) the total number of flats held by such tenants is not less than two-thirds of the total number of flats contained in the premises.
- (2) A building is a self-contained building if it is structurally detached.
- (3) A part of a building is a self-contained part of the building if—
  - (a) it constitutes a vertical division of the building,
  - (b) the structure of the building is such that it could be redeveloped independently of the rest of the building, and
  - (c) subsection (4) applies in relation to it.
- (4) This subsection applies in relation to a part of a building if the relevant services provided for occupiers of it—
  - (a) are provided independently of the relevant services provided for occupiers of the rest of the building, or
  - (b) could be so provided without involving the carrying out of works likely to result in a significant interruption in the provision of any relevant services for occupiers of the rest of the building.
- (5) Relevant services are services provided by means of pipes, cables or other fixed installations.
- (6) Schedule 6 (premises excepted from this Chapter) has effect.

## Section 73 RTM companies

(1) This section specifies what is a RTM company.

- (2) A company is a RTM company in relation to premises if—
  - (a) it is a private company limited by guarantee, and
  - (b) its articles of association state that its object, or one of its objects, is the acquisition and exercise of the right to manage the premises.

(3) But a company is not a RTM company if it is a commonhold association (within the meaning of Part 1).

(4) And a company is not a RTM company in relation to premises if another company is already a RTM company in relation to the premises or to any premises containing or contained in the premises.

(5) If the freehold of any premises is conveyed or transferred to a company which is a RTM company in relation to the premises, or any premises containing or contained in the premises, it ceases to be a RTM company when the conveyance or transfer is executed.

## <u>Section 78</u> Notice inviting participation

- (1) Before making a claim to acquire the right to manage any premises, a RTM company must give notice to each person who at the time when the notice is given—
  - (a) is the qualifying tenant of a flat contained in the premises, but
  - (b) neither is nor has agreed to become a member of the RTM company.
- (2) A notice given under this section (referred to in this Chapter as a "notice of invitation to participate") must—
  - (a) state that the RTM company intends to acquire the right to manage the premises,
  - (b) state the names of the members of the RTM company,
  - (c) invite the recipients of the notice to become members of the company, and
  - (d) contain such other particulars (if any) as may be required to be contained in notices of invitation to participate by regulations made by the appropriate national authority.
- (3) A notice of invitation to participate must also comply with such requirements (if any) about the form of notices of invitation to participate as may be prescribed by regulations so made.
- (4) A notice of invitation to participate must either—
  - (a) be accompanied by a copy of the memorandum of association and articles of association of the RTM company, or
  - (b) include a statement about inspection and copying of the memorandum of association and articles of association of the RTM company.
- (5) A statement under subsection (4)(b) must–
  - (a) specify a place (in England or Wales) at which the memorandum of association and articles of association may be inspected,
  - (b) specify as the times at which they may be inspected periods of at least two hours on each of at least three days (including a Saturday or Sunday

or both) within the seven days beginning with the day following that on which the notice is given,

- (c) specify a place (in England or Wales) at which, at any time within those seven days, a copy of the memorandum of association and articles of association may be ordered, and
- (d) specify a fee for the provision of an ordered copy, not exceeding the reasonable cost of providing it.
- (6) Where a notice given to a person includes a statement under subsection (4)(b), the notice is to be treated as not having been given to him if he is not allowed to undertake an inspection, or is not provided with a copy, in accordance with the statement.
- (7) A notice of invitation to participate is not invalidated by any inaccuracy in any of the particulars required by or by virtue of this section.

## Section 79 Notice of claim to acquire right

- (1) A claim to acquire the right to manage any premises is made by giving notice of the claim (referred to in this Chapter as a "claim notice"); and in this Chapter the "relevant date", in relation to any claim to acquire the right to manage, means the date on which notice of the claim is given.
- (2) The claim notice may not be given unless each person required to be given a notice of invitation to participate has been given such a notice at least 14 days before.
- (3) The claim notice must be given by a RTM company which complies with subsection (4) or (5).
- (4) If on the relevant date there are only two qualifying tenants of flats contained in the premises, both must be members of the RTM company.
- (5) In any other case, the membership of the RTM company must on the relevant date include a number of qualifying tenants of flats contained in the premises which is not less than one-half of the total number of flats so contained.
- (6) The claim notice must be given to each person who on the relevant date is—
  - (a) landlord under a lease of the whole or any part of the premises,
  - (b) party to such a lease otherwise than as landlord or tenant, or
  - (c) a manager appointed under Part 2 of the Landlord and Tenant Act 1987 (c. 31) (referred to in this Part as "the 1987 Act") to act in relation to the premises, or any premises containing or contained in the premises.
- (7) Subsection (6) does not require the claim notice to be given to a person who cannot be found or whose identity cannot be ascertained; but if this subsection means that the claim notice is not required to be given to anyone at all, section 85 applies.
- (8) A copy of the claim notice must be given to each person who on the relevant date is the qualifying tenant of a flat contained in the premises.
- (9) Where a manager has been appointed under Part 2 of the 1987 Act to act in relation to the premises, or any premises containing or contained in the premises, a copy of the claim notice must also be given to the leasehold valuation tribunal or court by which he was appointed.

#### Section 80 Contents of claim notice

(1) The claim notice must comply with the following requirements.

- (2) It must specify the premises and contain a statement of the grounds on which it is claimed that they are premises to which this Chapter applies.
- (3) It must state the full name of each person who is both—
  - (a) the qualifying tenant of a flat contained in the premises, and
  - (b) a member of the RTM company,

and the address of his flat.

- (4) And it must contain, in relation to each such person, such particulars of his lease as are sufficient to identify it, including—
  - (a) the date on which it was entered into,
  - (b) the term for which it was granted, and
  - (c) the date of the commencement of the term.
- (5) It must state the name and registered office of the RTM company.
- (6) It must specify a date, not earlier than one month after the relevant date, by which each person who was given the notice under section 79(6) may respond to it by giving a counter-notice under section 84.
- (7) It must specify a date, at least three months after that specified under subsection (6), on which the RTM company intends to acquire the right to manage the premises.
- (8) It must also contain such other particulars (if any) as may be required to be contained in claim notices by regulations made by the appropriate national authority.
- (9) And it must comply with such requirements (if any) about the form of claim notices as may be prescribed by regulations so made.