

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference : CHI/21UC/LSC/2024/0067

Property : Avondale, 8 Chesterfield Road,

Eastbourne, BN20 7NU

Applicant : Quynh Mai Luong

Representative :

Respondent : Avondale (Meads) Limited

Representative :

Type of Application: Determination of liability to pay and

reasonableness of service charges

Section 27A Landlord and Tenant Act 1985

Tribunal Members : Regional Judge Whitney

Mr A Crawford MRICS

Date of hearing: 14 March 2025

Date of decision : 30 April 2025

DECISION

Background

- 1. The Applicant seeks a determination as to whether the additional service charge demanded for the 2024 service charge year is payable and reasonable. The additional service charge relates to major works proposed to be carried out to the Property.
- 2. Directions were issued on 10 September 2024 with dates for compliance by the parties which included the offer of mediation which both parties accepted. Mediation was unsuccessful and further directions were issued dated 19th December 2025, including provision for a final hearing.
- 3. The directions were substantially complied with. The Applicant supplied an electronic hearing bundle of 286 pdf pages and references in [] are to pages within that bundle.

Inspection

- 4. Immediately prior to the hearing the Tribunal inspected externally only the Property.
- 5. The Applicant was in attendance with her partner and the Respondent was represented by two directors Ms C Sinclair and Mr Ramezan.
- 6. The Property is very large detached Victorian villa of brick construction under a tiled roof situated on a road leading up from the seafront. We are told the Property has been converted into 7 flats. The Property is part tile hung to its elevations. The Property is three stories high.
- 7. It was apparent the external decorations are tired and the Property is in need of redecoration. We observed a roof over a bay window which we were told was the window of a bedroom in the Applicant's flat which was missing tiles and needed significant maintenance. We observed foliage growing out of one of the chimneys to the Property. Further there was evidence that tiles had slipped and fallen from the side elevations.
- 8. Overall externally the impression was of a building in need of maintenance and repair.

Hearing

9. The hearing took pace at Hastings County Court immediately following the inspection. The hearing was recorded and below is a precis of what took place.

- 10. Ms Luong attended together with her partner and the Respondent was represented by Ms Sinclair and Mr Ramezan as directors.
- 11. The Tribunal confirmed it had read the bundle and each parties submissions and evidence contained within the same.
- 12. Ms Luong agreed that the Respondent was complying with the terms of the lease in the way that it operated the service charge mechanism. Her challenge was limited to the proposed major works which the Respondent wished to undertake.
- 13. The Applicant had purchased her flat in or about August 2023. She had a RICS Home Survey-Level 2 undertaken [60-113]. She acknowledged this identified some issues. She was not aware however that the Respondent was planning to have its own survey undertaken with a view to completing a major works project.
- 14. The Applicant agreed works were required. In essence she did not dispute the need for any of the particular items of work to be undertaken. It was her case that such works did not need to be undertaken as a single project and could, and should, be phased over a number of years. She suggested as a single project the costs were unaffordable.
- 15. The Applicant suggested if the works were phased over a number of years they would be affordable. She suggested consideration should be given to undertaking the works one elevation at a time. She had no alternative quotes. She had not had her own survey undertaken.
- 16. The Applicant explained currently the works as proposed by the Respondent would cost her in the region of £33,000. This is not something she could afford. If however works were undertaken to each elevation in turn she believed she would be able to pay for these.
- 17. She agreed the works were required but suggested currently there was no particular danger that meant the works must be undertaken as a single project.
- 18. Ms Sinclair explained that following an AGM in May 2023 the Respondent had appointed Mr Barker of Grumitt Wade Mason to prepare a 10 year maintenance plan. Part of the reason was that previous works undertaken had in her words gone awry. Those works had envisaged carrying out works to each elevation in turn but the plan had not been followed through.
- 19. Ms Sinclair explained that, as she understood, no external redecorations had been undertaken since 2012. She had purchased her flat in 2018 and nothing had been done since then.

- 20. The report was in the bundle [225-237]. [237] was the proposed 10 year plan. She agreed that the costs in the first year were very high (estimated at £93,000 for 2024). The works were to bring the Property back into reasonable order. Ms Sinclair referred to the fact that they have no reserves and in her judgment not undertaking works now would only be "kicking issues down the road". She explained they did approach Mr Barker to see if he would recommend splitting the works but he would not change his recommendation. He was adamant the works he recommended needed to be undertaken now to ensure the Property was bought up to a reasonable standard of repair and maintenance.
- 21. Ms Sinclair explained 4 out of the 7 flats were in favour of proceeding when initially raised. Two flat owners wished to sell but the outstanding maintenance compromises their ability to do so. The process had begun before the Applicant had acquired her flat. She explained that all other leaseholders had now paid or a payment plan was in place with them. Obviously monies were required from the Applicant so that the works could begin.
- 22. Ms Sinclair explained tiles had fallen from the upper parts of the Property causing a risk to persons below, including herself as she had a conservatory to her flat.
- 23. Ms Sinclair explained that tenders had been obtained which were sadly 30% higher than estimated by the surveyor.
- 24. Ms Sinclair explained she accompanied the surveyor when he inspected in October 2023. Ms Sinclair believes the directors have an obligation to maintain the fabric of the Property. They had considered whether they should follow the surveyors advice but felt it was irresponsible not to follow this advice.
- 25. Ms Sinclair agreed upon questioning that another leaseholder had been against the works but she explained his position had changed. He now supported the works.
- 26. Upon questioning by the Tribunal she explained previously some repointing had been undertaken to the pointing below the hanging tiles. The works were not in her opinion carried out to a reasonable standard. She understood the company had considered taking action against the contractor but the contractor had ceased trading having entered administration.
- 27. Ms Sinclair confirmed that Mr Barker was adamant all works should be undertaken as per his schedule. He would not recommend any other way of undertaking the works.
- 28. She explained that the Respondent was recommending proceeding with the cheapest estimate. There would be a 6 week lead time but the

- Respondent needs more funds before it can confirm the contract. The tenders are fixed prices.
- 29. In reply Ms Luong referred to the fact when she first moved in the service charges were about £2,300 and she is now being asked to find about £24,000.
- 30. In Ms Luong's submission there is no danger and the works do not require all the scaffolding to be erected at the same time. The works could be balanced out over 10 years.
- 31. She explained she was aware when she purchased the reserves were very low. She believes the Respondent should consider the finances of all leaseholders.
- 32. Ms Luong invited the Tribunal to make section 20C and paragraph 5A orders.
- 33. In response Ms Sinclair resisted the making of such orders. The company had taken some advice from solicitors and she pointed out that her and Mr Ramezan are voluntary directors and attended today without legal representation to avoid further costs.

Decision

- 34. We thank all parties for their helpful and considered submissions.
- 35. The Property is a converted building in which each of the leaseholders is a shareholder in the Respondent. We accept the directors undertake their role on a voluntary basis.
- 36. We do not specifically refer to the lease as the parties agreed that the Respondent was complying with the lease mechanism. Equally what were termed normal service charges were not challenged, the Applicant accepted these amounts were due and payable and reasonable. The issue for us to determine related to the proposed major works.
- 37. We have read carefully the report of Mr Barker. We have ourselves undertaken an inspection of the Property. All parties, including the Applicant, agrees works are required.
- 38. We remind ourselves that the test for us to consider is whether the proposed major works are reasonable. It is not whether we would conduct the works in that way but is what is proposed a reasonable methodology.
- 39. We are satisfied it is.

- 40. It is apparent from our inspection and the documents that major external redecorations and repairs are required. None of the parties disputed this, the issue was as to timing.
- The original application referred to the amount of £23097.94 being the amount claimed in 2024. Copies of the relevant demands were in the bundle [155-164]. Since then further amounts were demanded [165-169] and budgets for the years 2024 and 2025 were included [170-178].
- 42. We have considered whether or not it would be reasonable for the works to be phased. We record the decision is one for the Respondent to make. There is no perfect answer. However it is apparent that works are required. The Respondent employed a surveyor and took their advice. It was explained how they discussed that advice with the surveyor [238 & 239]. We are satisfied that the directors took account of the large costs that would be incurred. However ultimately they followed the advice of their surveyor that works should be undertaken now.
- 43. We note that whilst it was envisaged the works would take place in 2024 it is now nearly midway through 2025 and the works have not as yet begun. This is a further factor which we take account of.
- 44. We acknowledge that the cost for the Applicant is very high. Her survey did raise some concerns and we are not privy as to what advice she received or took. Any person purchasing a leasehold flat should be made aware that costs can arise. Ms Luong acknowledged she was aware that the reserves were very low and that therefore works would need to be funded by leaseholders.
- 45. On balance in this case we are satisfied that the methodology proposed by the Respondent of undertaking a large number of works as a single project, hopefully involving scaffolding the building only once, is reasonable.
- 46. To that end we determine the amounts budgeted for the major works in the budgets for 2024 and 2025 and as demanded of the Applicant are reasonable and payable by her.
- 47. We have considered whether or not we should make any orders pursuant to section 20C and paragraph 5A to limit the recoverability of costs. Such orders are at the discretion of this Tribunal. We take account of the fact that the freehold essentially belongs to the leaseholders via the Respondent company. Equally the directors are volunteers and we note they did not instruct legal representatives to represent them. They attended in person. Overall we are satisfied that on this case we should exercise our discretion and make no orders.

RIGHTS OF APPEAL

- 1. A person wishing to appeal this decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application by email to rpsouthern@justice.gov.uk
- 2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
- 3. If the person wishing to appeal does not comply with the 28 day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then decide whether to extend time or not to allow the application for permission to appeal to proceed.