



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

Case Reference : **MAN/00CB/OAF/2024/0603
MAN/00CB/OC6/2024/0604**

Property : **Merecote, 63 Meols Drive, Hoylake,
CH47 4AG**

Applicants : **Geoffrey Michael Broadhead
Pamela Anne Broadhead**

Represented by : **Orme Associates Property Advisers**

Respondent : **John Ridley Cameron, Dotebroom
Limited and Mrs I Woolf**

Represented by : **DCW Management Services and Mr R
Hutt**

Type of Application : **Leasehold Reform Act, 1967, Section 21
(1)(a),(2) & s21(1)(ba)**

Tribunal Members : **J Fraser FRICS
J Gittus MRICS**

**Date of
determination** : **9th December 2025**

Date of decision : **19th February 2026**

DECISION

DECISION

1. The price payable to enfranchise, under Section 9 of the Leasehold Reform Act 1967 (the Act), is £250.
2. The conveyance is to include the restrictive covenants as follows:
 - (i) not to erect, construct or place any additional building or erection upon the said property without first obtaining the consent in writing of the Transferor or its agent, not to make any structural or elevational alterations to any building or other structure now or hereafter erected, constructed or placed upon the said property as aforesaid without first obtaining the like consent.
 - (ii) not to use the said premises, or any part thereof, otherwise than as a private residence or the residence of medicine or surgery or a registered dental practitioner only and for no other purpose so that such practitioners shall not receive mental or other patients to reside in the premises nor have any shop or dispensary for dispensing or selling drugs thereon.
 - (iii) not to do or cause or suffer to be done, or suffer upon the premises, anything which shall or may be or become a nuisance (whether indictable or not) damage or annoyance to the Transferor or its successors in title or to the neighbourhood and not to fix, fasten or place or permit to suffer to be affixed, fastened or placed upon the premises, or any part thereof any name plate (except the name of the house or a plate of the size and description commonly used by a medical practitioner or a registered dentist) advertisement board, placard, or notice of any description

REASONS

Background

3. This is an application made under section 21(1)(a) of the Act for a determination of price payable in accordance with section 9 of the Act, an application under section 21(2) of the Act for a determination of the provisions which ought to be contained in the conveyance and an application for a Reasonable Costs Order under sections 21(1)(ba) and (9)(4) of the Act. Further, the Applicant has made an application requesting a Costs Order (the Rule 13 Costs Application) under Rule 13 of The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 (the Tribunal Rules).
4. The parties have provided written submissions and evidence and the Tribunal has reached its decision on the papers provided. No application for an oral hearing has been received, the Tribunal has not inspected the property.
5. The Applicant is represented by Mr Orme of Orme Property Associates, who acts as both advocate and expert. The Respondent is represented by DCW

Management Services and Mr Hutt FRICS who also acts as both advocate and expert.

Preliminary issue

6. On the 2nd December 2025, the Applicant wrote to the Tribunal to say that “the Leasehold estate has changed hands and I am awaiting a copy of the deed of assignment”. The Respondent set out objections on the 3rd December 2025. They can be summarised as follows: the transfer of the Leasehold Estate was not disclosed by the Applicant and rather it was identified by the Respondent when examining the Title Register, the application to enfranchise is void and that the assignment should have been brought to the Tribunal’s attention by the Applicant.
7. That the claim has been validly assigned is also disputed by the Respondent. The Applicant has provided an “Assignment of the benefit of a claim”, to the buyers being Paul Lee Wood and Lisa Wood. The Respondent takes issue with the assignment and says that it has not been validly assigned. The Tribunal has no jurisdiction to determine the validity of the claim notice (or its assignment), it being within the jurisdiction of the County Court as set out by section 20 of the Act.
8. The Tribunal considered it could either stay the applications, pending the parties agreeing that the Claim Notice had been validly assigned (or alternatively the applications being withdrawn or a determination made by the County Court) or to proceed with a determination. We decided to proceed with the determination on the issues within the Applications. Any further dispute between the parties as to validity and assignment of the notice is within the jurisdiction of the County Court and cannot be determined by the Tribunal.

The Lease

9. The Leasehold interest is dated 29th July 1938 and is for a term of 999 years from the 25th March 1938, the ground rent is £15 and 12 shillings, or £15.60. The lease plan shows a plot of 100’ wide, fronting onto Meols Drive, extending by 160’ in depth. The lease contains the following restrictions:

6. Not at any time during the said term (without the consent in writing of the Lessor’s first obtained) to erect or place any additional building or erection on any part of the land hereby demised, nor make any alterations in or addition to the buildings now or hereafter standing thereon and that in case there shall be occasion to rebuild the said messuage or dwellinghouse or any part thereof, or any permitted new building or addition whether by reason or destruction by fire or through decay or from any other cause to rebuild the same according to the original plans, drawings and elevations thereof or according to such other plans, drawings and elevations as shall be previously approved of in writing by the Lessors and not otherwise.

12. Not without the consent of the Lessors to use or permit to be used the premises or any part thereof or any building for the time being thereon otherwise than as a private residence or the residence of a Practitioner of Medicine or a registered Dental Practitioner only and for no other purpose.

13. Not to do or cause or suffer to be done or suffered upon the premises anything which shall or may be or become a nuisance (whether indictable or not) damage or annoyance to the Lessors or their tenants or the neighbourhood and not to affix fasten or place or permit or suffer to be affixed fastened or placed upon the premises or any part thereof any name plate (except the name of the house or a plate of the size and description commonly used by a Medical man or registered Dentist) advertisement board placard or notice of any description.

Notices

10. The notice of tenant's claim is dated 26th July 2024. The freeholder responded on the 12th August 2024, admitting that the Applicants had the right to acquire the freehold.

The property

11. The Property is Merecote, 63 Meols Drive, Hoylake, Wirral CH47 4AG. It is described as a two-storey detached house, dating to the 1930s and set within an area of predominantly two and three storey detached houses having front and rear gardens. Royal Liverpool Golf Club is said to be just to the west, beyond Dee Estuary and to the south, West Kirby. It is said to be of traditional construction with part-rendered elevations, set beneath a pitched configuration roof and finished with clay tiles. A two-storey extension has been added to the rear. There are front and rear gardens and a garage. It sits on a corner plot at the junction of Meols Drive and Winnington Road, vehicular access is available from Winnington Road.
12. Accommodation is said to comprise a kitchen/breakfast room, three reception rooms, utility room, wc and porch to the ground floor with six bedrooms and two bathrooms to the first floor. Neither of the experts has inspected the property, albeit Mr Hutt carried out an external inspection.

The price payable

13. Mr Orme for the Applicant prepares a valuation, he capitalises the ground rent of £15.60 per annum into perpetuity at 7.5%, to arrive at £208. Mr Hutt capitalises £16 per annum for 912.64 years, at a capitalisation rate of 6.25%, he arrives at £250. Mr Orme makes no reference to the reversionary value, Mr Hutt values it as £0, setting out £1,000,000 deferred for the remainder of the unexpired lease term.
14. Mr Orme sets out to the Tribunal by email on the 21st August 2025; *“for the avoidance of doubt, I hereby agree to the price payable at £250”*. On the 2nd

December 2025, in his ‘Replies to Respondent’s Statement of Case’ he again confirms agreement on price of £250. On this basis the parties are agreed that the price payable is £250 and the Tribunal makes no comment on the valuation basis or capitalisation rate adopted, we determine the price payable as £250.

Reasonable Costs Order

15. Directions were given by this Tribunal on the 8th September 2025 where, inter alia, Judge Murray set out at paragraph 1 of the Directions:

The Respondent’s bundle must include a schedule of any costs claimed by the landlord, itemising the work for which those costs are claimed, the time taken, and the grade of the fee-earner concerned

16. The Tribunal is not provided with such a schedule of costs. In an email dated 31st August 2025, prior to the date of directions, Helen M Clarke of DCW states that the reasonable costs are: £750 in administration expenses directly related to this transaction and its delays, £1,500+VAT in legal costs, “reflective of the complexity, advisory conduct and London based representation”. Mr Orme sets out that valuation fees of £650 and conveyancing fees of £650 are reasonable.
17. If the parties cannot reach agreement on costs, we provide a final opportunity for the Respondent to comply and further directions are given and are set out at Appendix 1.

The Rule 13 Costs Application

18. Following correspondence between the Tribunal, Mr Orme wrote on the 8th December 2025 to ask that the Rule 13 Costs Application be considered withdrawn. However, in an updated expert valuation report dated 5th December 2025, Mr Hutt for the Respondent included a section 12.0 headed “Conduct of the Applicant’s Surveyor” and at §12.16 says; “*it is requested that the Residential First Tier Property Tribunal give consideration to an Order for Costs incurred, in favour of the Respondent*”.
19. On Costs, Rule 13 of the Tribunal’s Rules sets out as follows:

13 (1)

....

(b) if a person has acted unreasonably in bringing, defending or conducting proceedings

.....

(4) A person making an application for an order for costs—

(a) must, unless the application is made orally at a hearing, send or deliver an application to the Tribunal and to the person against whom the order is sought to be made; and

(b) may send or deliver together with the application a schedule of the costs claimed in sufficient detail to allow summary assessment of such costs by the Tribunal.

(5) An application for an order for costs may be made at any time during the proceedings but must be made within 28 days after the date on which the Tribunal sends—
(a) a decision notice recording the decision which finally disposes of all issues in the proceedings; or
(b) notice of consent to a withdrawal under rule 22 (withdrawal) which ends the proceedings.

20. If the Respondent wishes to proceed with an application for Rule 13 costs, it must do so in accordance with the Tribunal's Procedure Rules and specifically 13(4) and 13(5) as set out above. We do not treat the above comment by Mr Hutt as an application, given it is a sentence that has appeared in an Expert Witness's evidence. The parties are reminded that the Tribunal is not generally a cost shifting jurisdiction and its powers to award costs are limited to those instances of unreasonable conduct.

Restrictive covenants

21. Section 10 of the Act sets out the rights to be conveyed to the tenant on enfranchisement.

(4) As regards restrictive covenants (that is to say, any covenant or agreement restrictive of the user of any land or premises), a conveyance executed to give effect to section 8 above shall include—

(a) such provisions (if any) as the landlord may require to secure that the tenant is bound by, or to indemnify the landlord against breaches of, restrictive covenants which affect the house and premises otherwise than by virtue of the tenancy or any agreement collateral thereto and are enforceable for the benefit of other property; and

(b) such provisions (if any) as the landlord or the tenant may require to secure the continuance (with suitable adaptations) of restrictions arising by virtue of the tenancy or any agreement collateral thereto, being either—

(i) restrictions affecting the house and premises which are capable of benefiting other property and (if enforceable only by the landlord) are such as materially to enhance the value of the other property; or

(ii) restrictions affecting other property which are such as materially to enhance the value of the house and premises;

(c) such further provisions (if any) as the landlord may require to restrict the use of the house and premises in any way which will not interfere with the reasonable enjoyment of the house and premises as they have been enjoyed during the tenancy but will materially enhance the value of other property in which the landlord has an interest.

(5) Neither the landlord nor the tenant shall be entitled under subsection (3) or (4) above to require the inclusion in a conveyance of any provision which is unreasonable in all the circumstances, in view—

(a) of the date at which the tenancy commenced, and changes since that date which affect the suitability at the relevant time of the provisions of the tenancy; and

(b) where the tenancy is or was one of a number of tenancies of neighbouring houses, of the interests of those affected in respect of other houses.

22. S.10 (4)(b)(i) of the Leasehold Reform Act 1967 frames the general principle that a landlord cannot require the continuance of covenants imposed by a tenant's lease, on the transfer of the freehold, unless, in the case of a restrictive covenant, it is capable of enforcement by persons other than the landlord, or will materially enhance the value of other property.
23. Valuation evidence is not required to quantify the benefit, but there must be some evidence of uplift in value or prevention of diminution in value *Earl Cadogan v Betul Erkman [2011] UKUT 90*, and *Trustees of the Sloane-Stanley Estate v Carey Morgan [2011] UKUT 415*; the mere assertions of a party's representative would not be sufficient.
24. The President, in the Carey Morgan case stated that there must be evidence to satisfy the Tribunal, albeit as a matter of general impression, that there will be some monetary uplift in value (albeit unquantified) or the prevention of some monetary diminution in value (albeit unquantified).

The Respondent's submissions

25. Mr Hutt submits that the property should be transferred subject to restrictive covenants, he says that there are eight titles in the immediate vicinity and 21 other titles in Meols Drive which are subject to similar covenants and that they “*effectively operate as a form of estate covenant in order to preserve the particular style, character and environment surrounding properties in this particular thoroughfare.... To ensure the prestige nature of this location was, is and is to be maintained and to preserve both the residential character and quality of the surrounding [properties] in Meols Drive and the near vicinity*”.
26. Mr Hutt refers to sections 10(4)(a) of the Act and in regard to 10(4)(b) says that these covenants preserve the value of other properties nearby. He says that change of use from a single private residence would have a “*deleterious impact upon the capital value of the other buildings [nearby properties] concerned and the buil[t] environment this location provides.*”. Mr Hutt says that the Upper Tribunal decision of the Trustees of the Sloane Stanley Estate supports his argument of material enhancement of value of other property.
27. Finally, despite the arguments set out, Mr Hutt concludes that the wording of covenants proposed by the Applicant are acceptable, subject to the addition of the words: “subject to the Transferor's consent, such consent not to be

unreasonably withheld”. A draft TRI is included at Annex 3 of the Respondent’s statement of case, it differs from that included by the Applicant in their statement of case.

28. At Annex 8 of Mr Hutt’s report, the Tribunal is provided a Land Registry title map that shows the subject property and a further 30 properties, delineated either red or blue. Those delineated red indicate the freehold has been sold but subject to restrictive covenants, those delineated blue represent those where the freeholds have not been sold and restrictive covenants remain. In very close proximity to the subject property are 61, 64, 66 and 68 Meols Drive being properties where the freeholds have not been sold and 61a Meols Drive and 28 Eddisbury Road being properties where the freeholds have been sold but where restrictive covenants remain. We are not provided any evidence supporting the conclusions evidenced by the plan.
29. At Annex 11, a report of Donald Insall Associates, Chartered Architects and Historic Building Consultants, is provided. It is prepared for Wirral Metropolitan Borough Council and is a Conservation Area Appraisal and Management Plan for the Meols Drive Conservation Area. At §4.4 of his report Mr Hutt highlights the following passage from the conservation report:

“Meols Drive, connecting the urban areas of Hoylake and West Kirby developed from the late 19th and early 20th Centuries as an affluent suburban area. It brings together a built form of fine residential dwellings, predominantly designed with individualistic Arts & Crafts aesthetics, set into spacious and mature plots and an exceptional landscape character defined by the Royal Liverpool Golf Course and the coastline of the tip of The Wirral Peninsula.”

He goes on to say that *“this report [the conservation report] has not been adopted by any Public authority but underlines the significance and environmental attraction of this special location...”*.

The Applicant’s submissions

30. The Applicant’s statement of case is prepared by Mr Orme, dated 6th October 2025. It is silent on the terms of the transfer, with the exception that it refers to the appendices including replies to ‘Landlords notice of request for particulars of rights of way and restrictive covenants required by the tenant’ and confirms that the proposed transfer is appended. The appended draft transfer includes; Heading 13 – Rights Granted for the Benefit of the Property; Heading 14 - Rights reserved for the benefit of other land; Heading 15 – Indemnity Covenants and Heading 16 – Agreements. The restrictive covenants found in the lease and proposed by the Respondent are not included. They are however included in an earlier draft provided to the Tribunal 31st August 2025 by the Respondent and are said to be the Applicant’s draft transfer.
31. The Applicant’s Statement of Reply to the Respondent’s Statement of Case is dated 2nd December 2025. It states that the Respondent has not included a draft proposed transfer as required by the Tribunal’s Directions. Albeit a draft transfer was annexed to the Respondent’s Statement of Case, provided to the

Tribunal on the 25th November 2025 and copied to the Applicant. At §9 of the reply, Mr Orme sets out proposed alterations to “proposed covenant 4(a)”, which relates to erecting additional buildings.

32. Mr Orme then sets out his argument to the Respondent’s material enhancement submissions. He says that there is a strong presence of flats in the locality already, and that there are also three hotels in close proximity. Therefore, he says the Respondent’s position is “tempered” by the “flats already here”. Mr Orme then makes reference to *Kutchukian* an Upper Tribunal decision where it was argued by the Freeholder on a collective enfranchisement application that a covenant restricting change of use for a block of flats, to a single dwelling, should be included in the transfer. He draws our attention to the Upper Tribunal in *Kutchukian* stating that a covenant imposed for the purposes of securing a ransom is not a covenant capable of benefiting other land.
33. Mr Orme then refers to a transfer of 17 Stanley Road for £10,000 with no restrictive covenants. He says that the Respondent in this application was the freeholder of 17 Stanley Road and that the site went on to be developed further with a flatted conversion and a new dwelling. Mr Orme then refers us to a decision of this Tribunal concerning 23 Stanley Road, where this Tribunal determined that restrictive covenants should be included in the Transfer of the freehold. In summary, he goes on to say that in his view, the reason for the Freeholder in that case, to wish to include restrictive covenants, was for the purposes of extracting a ransom. Mr Orme provides submissions and copy correspondence that he says supports this view. Mr Hutt disputes this strongly in further submissions to the Tribunal.

Determination on Restrictive covenants

34. The Tribunal needs to determine whether the restrictive covenants proposed by the Respondent, should be included in the transfer.
35. Where the covenants are not enforceable by one or more persons, other than the landlord, the test is whether the covenants materially enhance the value of other property, which could also include preventing the diminution in value of other property.
36. The Respondent’s position is that this is a “special area” of valuable, detached period dwellings and that without the restrictive covenants the value of nearby properties could be adversely affected. A plan of ownership of nearby properties is provided, referencing where those properties are held leasehold/freehold and where similar covenants are said to be included. We are not provided with any supporting documentation to confirm the summary presented in this plan, but note that it is not disputed by the Applicant.
37. The Applicant’s position is that the proposed restrictive covenants would not materially enhance the value of other property and that the material enhancement argument is flawed due to the number of flats in the area and that, he says, the Respondent has sold other freeholds without restrictions, in essence, the covenant is a ransom and falls outside of section 10 (4)(b).

38. Based on the submissions and evidence provided, the Tribunal determines that there are other properties sufficiently close to the subject property and with similar restrictive covenants that the proposed covenants do serve to materially enhance the value of other properties. That material enhancement is likely to be in the way of prevention of diminution in value to nearby properties, if there was to be a change of use, or intensification of the site. We consider that, whilst the enhancement of value is not quantified, the Respondent has done enough to evidence the material enhancement argument, having regard to the proximity of nearby properties with similar restrictions and the character of the immediate and surrounding area. We are not satisfied on the evidence before us that the existence of flats or hotels in the wider locality is such as to undermine the Respondent's case on material enhancement.
39. We approve the restrictive covenants that the Respondent proposes to include in the transfer and as annexed to their Statement of Case.

Terms of the transfer

40. It is not exactly clear to what extent the parties are agreed or otherwise on the terms of transfer, as both parties make concessions. At §10.19 of Mr Hutt's valuation report dated 5th December 2025, which supersedes the Respondent's Statement of Case dated 25th November 2025, Mr Hutt says that the Respondent is prepared to agree the Applicant's request: "Subject to the insertion of a clause relating to each of the proposed variations being 'subject to the Transferor's consent, such consent not to be unreasonably withheld". It is not clear which transfer this relates to as those presented to the Tribunal by the parties differ in that only the Respondent's draft includes the restrictive covenants. Similarly, in correspondence between the parties dated 31st August 2025, and copied to the Tribunal, a draft Transfer is provided, which is said to have been drafted by the Applicant and includes the Restrictive Covenants. However, the draft transfer provided in the Applicant's statement of case does not include them.
41. For the reasons given, we conclude that the conveyance is to be subject to the restrictive covenants. We give further directions at Appendix 2 below, in the event that the parties are unable to agree the wording of the transfer. The restrictive covenants to be included are as follows:
- (i) not to erect, construct or place any additional building or erection upon the said property without first obtaining the consent in writing of the Transferor or its agent, not to make any structural or elevational alterations to any building or other structure now or hereafter erected, constructed or placed upon the said property as aforesaid without first obtaining the like consent.
 - (ii) not to use the said premises, or any part thereof, otherwise than as a private residence or the residence of medicine or surgery or a registered dental practitioner only and for no other purpose so that such practitioners shall not receive mental or other patients to reside in the premises nor have any shop or dispensary for dispensing or selling drugs thereon.

(iii) not to do or cause or suffer to be done, or suffer upon the premises, anything which shall or may be or become a nuisance (whether indictable or not) damage or annoyance to the Transferor or its successors in title or to the neighbourhood and not to fix, fasten or place or permit to suffer to be affixed, fastened or placed upon the premises, or any part thereof any name plate (except the name of the house or a plate of the size and description commonly used by a medical practitioner or a registered dentist) advertisement board, placard, or notice of any description

Signed: J Fraser
Chair of the First-Tier Tribunal
Date: 19th February 2026

Appendix 1 – Reasonable Costs Directions

1. In the absence of agreement, the Respondent shall by **12th March 2026** send to the Applicants a detailed statement of costs incurred in accordance with section 9(4) of the Act. The statement shall include, where appropriate, details of hours spent, grade of fee earners, hourly rates or alternative basis of charging.
2. The Applicant shall, by **26th March 2026** send a statement in reply to the Respondent, in particular, indicating those costs that are agreed and those costs that remain in dispute (and the reason(s) why).
3. The Applicants and the Respondent shall, by **9th April 2026** exchange with each other and lodge with the Tribunal a paginated, indexed, pdf bundle of all the documents they wish the Tribunal to consider when making its determination. These bundles must include copies of the Respondent's statement and the Applicants' statement in reply and must clearly identify the costs agreed and those still unresolved and why.
4. The Tribunal considers this matter can be dealt with on the basis of the written submissions of the parties. If either party requires an oral hearing, they are to notify the Tribunal upon submitting their statement of case. If following receipt of the papers, the Tribunal considers an oral hearing is required, the parties will be notified accordingly.

Appendix 2 – Transfer Directions

1. In the absence of agreement, the Applicant may apply to the Tribunal by the **19th March 2026** for a determination on the terms of the conveyance. They should provide to the Tribunal and the Respondent a draft TR1, the TR1 must include the restrictive covenants set out in this decision.
2. Any objection to the draft Transfer by the Respondent must be made to the Tribunal and copied to the Applicant by **9th April 2026** a statement in reply is to be provided and a draft TR1.
3. The Tribunal considers this matter can be dealt with on the basis of the written submissions of the parties. If either party requires an oral hearing, they are to notify the Tribunal upon submitting their statement of case. If following receipt of the papers, the Tribunal considers an oral hearing is required, the parties will be notified accordingly.

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 to appeal 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 applications 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).