



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

**Case Reference** : **MAN/00CX/LRM/2025/0007**

**Property** : **49 Bank Street, Bradford, BD1 1UG**

**Applicant** : **Pearl A House RTM Company Limited**

**Respondents** : **MW Freeholds Limited**

**Type of Application** : **Entitlement to right to manage:  
section 84(3), Commonhold and  
Leasehold Reform Act 2002**

**Tribunal Members** : **Judge S Wickham  
Judge A Davies  
Mr H Thomas FRICS**

**Date** : **13 March 2026**

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**DECISION**

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The Applicant was not served with a valid counter-notice to the claim notice served on 25 June 2025 under section 84 of the Commonhold and Leasehold Reform Act 2002. The Applicant therefore acquires the Right to Manage the entire Property with effect from 13 June 2026 unless an earlier date is agreed.

## **REASONS**

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### **Background**

1. The Tribunal received an application dated 23 September 2025 seeking a determination that on the relevant date (being 25 June 2025) the Applicant, being a Right to Manage Company (“RTM Company”) was entitled to acquire the right to manage the Property.
2. The Property comprises a building of both residential flats and commercial premises spanning four floors and a basement level.
3. The Applicant was incorporated on 2 May 2025 and on 25 June 2025 served on the Respondent landlord a claim notice under section 79 of the Act, with an intention to acquire the right to manage the Property on 9 November 2025.
4. The Respondent responded to the claim notice on 31 July 2025 by way of a counter-notice alleging the Applicant was not entitled to acquire the right to manage on a number of grounds. In summary, these grounds were that the Property did not qualify for the right to manage on the basis the residential parts of the Property were not capable of being managed independently of the commercial parts.
5. On 21 August 2025, the Applicant emailed the Respondent disputing the validity of the 31 July 2025 counter-notice and inviting the Respondent to withdraw it.
6. On 23 September 2025, the Applicant applied to the Tribunal under section 84(3) of the Act for a determination that it was entitled to manage the Property.
7. The Applicant asserts that it is so entitled to manage the Property because the counter-notice served by the Respondent on 31 July 2025 is statutorily non-compliant. It further asserts that if the Tribunal considers the counter-notice to be compliant, it is entitled to acquire the right to manage the Property under the Act.
8. The Respondent asserts that the counter-notice was clear and unambiguous and that the Tribunal has discretion to consider whether the Applicant is entitled to acquire a right to manage the Property even if there are any defects or omissions in it.

9. Directions were issued on 5 December 2025. Those Directions indicated a preliminary opinion that the application was likely to be suitable for determination on the papers. There have been no objections to this approach. The Tribunal has accordingly proceeded by way of a paper determination on the evidence and arguments produced by the parties.

### **The issues in dispute**

10. The Tribunal identified two issues before it to determine:
  - i. The validity of the counternotice; and
  - ii. If the Property is “qualifying premises” within the meaning in the Act, entitling the Applicant to acquire the right to manage them.
11. The Tribunal considered it may not have jurisdiction to consider the substantive issue (ii) if it determined that in respect of issue (i) the counter-notice was invalid. The Tribunal therefore considered issue (i) as a preliminary issue for determination.

### **The Law**

12. The acquisition of a right to manage without the need to prove any fault of the part of the existing manager is governed by sections 71 to 94 inclusive of the Act. The relevant parts of the Act for the purpose of this application are explained below.
13. Section 79(6) of the Act requires the RTM Company to give a claim notice to each person who, at that date, is:
  - i. *The landlord under a lease of the whole or any part of the premises,*
  - ii. *Party to such a lease otherwise than as landlord or tenant, or*
  - iii. *[not relevant to this decision].*
14. Section 80 sets out the information which a claim notice must contain but section 81(1) provides that a claim notice is not invalidated by any inaccuracy in any of the information.
15. Under section 84, any person to whom a claim notice has been given may give the RTM Company a counter-notice either admitting that the RTM Company is entitled to acquire the right to manage the premises, or alleging that the RTM Company is not so entitled.
16. Section 84(2) sets out the requirements of the counternotice (*emphasis added in bold*):

*A counter-notice is a notice containing a statement either—*

*(a) admitting that the RTM company was on the relevant date entitled to acquire the right to manage the premises specified in the claim notice, or*

*(b) alleging that, by reason of a specified provision of this Chapter, the RTM company was on that date not so entitled, **and containing such other particulars (if any) as may be required to be contained in counternotices and complying with such requirements (if any) about the form of counter-notices**, as may be prescribed by regulations made by the appropriate national authority.*

17. Section 84 contains no provision equivalent to section 81(1) of the Act in relation to the validity of a counter-notice. Accordingly, the statute does not provide that a counter-notice is preserved from invalidity by reason of any inaccuracy in the information it contains.
18. Regulations 5 and 8(3) of the Right to Manage (Prescribed Particulars and Forms) Regulations 2010 (the “2010 Regulations”) set out statutory requirements and the required format of the counter-notice.
19. Regulation 5 of the 2010 Regulations states that the counternotice **shall contain** (*emphasis added in bold*):

*(a) a **statement** that, where the RTM company has been given one or more counter-notices containing such a statement as is mentioned in paragraph (b) of section 84(2) of the 2002 Act, **the company may apply to a leasehold valuation tribunal for a determination** that, on the date on which notice of the claim was given, the company was entitled to acquire the right to manage the premises specified in the claim notice;*

*(b) a **statement** that, where the RTM company has been given one or more counternotices containing such a statement as is mentioned in paragraph (b) of section 84(2) of the 2002 Act, the company does not acquire the right to manage the premises specified in the claim notice unless—*

*(i) on an application to a leasehold valuation tribunal, it is finally determined (1) that the company was entitled to acquire the right to manage the premises; or*

*(ii) the person by whom the counter-notice was given agrees, or the persons by whom the counter-notices were given agree, in writing that the company was so entitled; and*

*(c) the **information provided in the notes to the form set out in Schedule 3** to these Regulations.*

20. Regulation 8(3) of the 2010 Regulations states that:

*(3) Counter-notices shall be in the form set out in Schedule 3 to these Regulations.*

21. Schedule 3 of the 2010 Regulation provides a prescribed form of counter-notice to be used.
22. Under section 84(3) of the Act, if the RTM Company receives a counter-notice in which the right to manage is denied, it may apply to the tribunal for a determination as to whether or not it was entitled to acquire the right to manage on the date on which the claim notice was given.

### **The Applicant's case in respect of issue (i)**

23. The Applicant contends that the counter-notice served by the Respondent on 31 July 2025 is invalid because it fails to comply with the statutory requirements. In particular, it does not follow the prescribed form set out in regulations 5 and 8 of the 2010 Regulations, and it does not contain an express denial of the Applicant's entitlement to acquire the right to manage, as required by section 84(2) of the Act.

### **The Respondent's case in respect of issue (i)**

24. In its reply statement of case, the Respondent relies on two Court of Appeal authorities: *Elim Court RTM Co Ltd v Avon Freehold Limited* [2017] EWCA Civ 89 ("*Elm Properties*") and *Gala Unity Ltd v Ariadne Road RTM Co Ltd* [2012] EWCA Civ 1372 ("*Gala Unity*").
25. The Respondent submits that the right to manage does not vest merely because of defects or omissions in the landlord's counter-notice or procedural steps. It argues that an RTM company cannot acquire the right to manage by relying on technical shortcomings in a counter-notice where the statutory conditions in section 72 have not been satisfied. In essence, the Respondent contends that the Tribunal has discretion to treat a counter-notice as valid even if it does not comply with the statutory requirements.
26. The Respondent does not admit the counter-notice it served was invalid. It further asserts that a counter-notice dated 24 September 2025 was clear and unambiguous and expressly referred to section 72(1)(a) of the Act, thereby satisfying the requirement in section 84(2)(b) that the counter-notice must specify the provisions in Chapter 1, Part II of the Act which render the notice of claim invalid.
27. The Tribunal has seen no evidence of any counter-notice dated 24 September 2025. The Tribunal infers that this date is an error and that

the Respondent intended to refer to the counter-notice dated 31 July 2025 mentioned elsewhere in its statement of case.

### **The Tribunal's decision and Reasons**

28. The Tribunal finds that the counter-notice served by the Respondent does not comply with section 84(2)(b) of the Act because it contains no statement that the Applicant is not entitled to acquire the right to manage (although the Tribunal considered and agreed with the Respondent that this could be inferred from the content). Further, the counter-notice does not comply with the form required by the 2010 Regulations. Specifically:
- i. it contains no statement in accordance with regulation 5(a) and (b) of the 2010 Regulations;
  - ii. it is not in the form required by regulation 8(3) of the 2010 Regulations; and
  - iii. it does not contain the information set out in Schedule 3 to the Regulations.
29. The Tribunal considered whether, despite these failures, the counter-notice could nevertheless be valid, as asserted by the Respondent.
30. The Tribunal concluded that the case of *Elim Properties* was not relevant to determining the validity of the counter-notice, as that case concerned the service of a claim notice by an RTM Company, not the service of a counter-notice.
31. The Tribunal also concluded that the case of *Gala Unity* was not relevant, as its decision is confined to the extent of management rights, not the validity of notices. Further, it has been overruled by the Supreme Court in *FirstPort Property Services Ltd v Settlers Court RTM Company Ltd & Ors* [2022] UKSC 1.
32. The Tribunal did, however, consider the Upper Tribunal decision in *St Stephens Mansions RTM Co Ltd v (1) Fairhold NW Ltd and (2) OM Property Management Ltd; (1) Fairhold NW Ltd and (2) OM Property Management Ltd v St James Mansions RTM Co Ltd* [2014] UKUT 541 (LC) ("*St Stephens Mansions*"). In that case, a counter-notice that referred to the wrong block of flats was held to be valid because it was clear from the context which block the notice was intended to cover, applying the "reasonable recipient" test established by the House of Lords in *Mannai Ltd v Eagle Star Insurance Co Ltd* [1997] AC 749.

33. The Tribunal distinguishes *St Stephens Mansions* from the present case for two reasons:
- i. the counter-notices in *St Stephens Mansions* were in the form prescribed by the 2010 Regulations, albeit they should technically have been in the form required by the Right to Manage (Prescribed Particulars and Forms) (Wales) Regulations 2011 (“the 2011 Regulations”) (no point was taken on this by the RTM Company, perhaps because of (ii) below); and
  - ii. regulation 8(3) of the 2011 Regulations provides that a counter-notice may be in the prescribed form “***or a form to the like effect, provided that it contains all of the prescribed particulars as set out in regulation 5***” (emphasis added). The 2010 (English) Regulations contain no such wording or flexibility.
34. There is no other authority of the Upper Tribunal or Court of Appeal that permits a Tribunal to treat a non-compliant counter-notice as valid. The appellate cases relied upon by the Respondent, including *Gala Unity* and *Elim Properties*, do not concern counter-notices and do not address section 84 of the 2002 Act. Parliament has provided a saving provision for claim notices in section 81(1), but no equivalent provision exists for counter-notices. In the absence of such a provision, and given both the mandatory wording of section 84(2), and the absence of any flexibility in the 2010 Regulations comparable to that in the 2011 (Welsh) Regulations, the Tribunal finds that the counter-notice dated 31 July 2025 is invalid because it does not comply with the statutory requirements.
35. Without the service of a valid counter-notice, there can be no dispute about the entitlement of the RTM Company to manage property, meaning the Tribunal has no jurisdiction to consider the second legal issue it identified from the application, namely whether the Property is a “qualifying premises” within the meaning in the Act, entitling the Applicant to acquire the right to manage it. This is confirmed in section 90(3) of the Act as follows:
- (3) For the purposes of this Chapter there is no dispute about entitlement if –*
- (a) No counter-notice is given under section 84, ...*
36. Section 90(4) of the Act provides that “*where the right to manage the premises is acquired by the company by virtue of a determination under section 84(5)(a), the acquisition date is the date three months after the determination becomes final*”. It follows that the Applicant is entitled to acquire the right to manage the Property from 13 June 2026, unless an earlier date is agreed.

Name: Judge S Wickham

Date: 18 March 2026

### **ANNEX – RIGHTS OF APPEAL**

1. 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.
2. 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.
3. 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 being within the time limit.
4. 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.