FIRST-TIER TRIBUNAL

PROPERTY CHAMBER

(RESIDENTIAL PROPERTY)

Case reference	**:**	**CAM/22UJ/LSC/2025/0638**
Property	**:**	**Flat 2, Magnolia House, Wych Elm, Harlow CM20 1FW**
Applicant	**:**	**Mr Ibrahim Kandanli**
Representative	**:**	**In person**
Respondent	**:**	**Prisma Property Developments (Harlow) Ltd**
Representative	**:**	**Ms Cassandra Zanelli (solicitor) Property Management Legal Services Limited**
Type of application	**:**	**For the determination of the liability to pay service charges under section 27A of the Landlord and Tenant Act 1985**
Tribunal members	**:**	**Judge Simon Brilliant Mr John Francis QPM Judge Virginia Lloyd**
Venue	**:**	**County Court, 197 East Rd, Petersfield, Cambridge CB1 1BA (remote)**
Date of decision	**:**	**29 January 2026**
Date of Amendment	**:**	**23 February 2026**

DECISION

AMENDED PURSUANT TO r.50 The Tribunal Procedure (First-

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tier Tribunal) (Property Chamber) Rules 2013

Decisions of the Tribunal

The Tribunal reduces the service charges payable by the Applicant set out in the tables below. The account between the parties will need to be adjusted to reflect the reductions made by the Tribunal.

01 July 2023-30 June 2024

Block/ Item	Account figures	Amount allowed
Car Park	£3,604	None
Estate: Window Cleaning	£5,994	50%
Estate and Block: Management Charges	£13,378 and £30,225	£240 plus VAT

01 July 2024-31 December 2024

Block/ Item	Account figures	Amount allowed
Car Park	£8,062	None
Estate and Block: Management Charges	~~£13,378~~ £6,691 and £3,037	£240 plus VAT

01 January 2025-31 December 2025 (Budget)

Block/ Item	Account figures	Amount allowed
Car Park	£2,250	None
Estate and Block: Management Charges ~~(Magnolia House)~~	~~£13,378~~ £14,742 and £6,552	£240 plus VAT

The application

1. The Applicant seeks a determination pursuant to s.27A of the Landlord and Tenant Act 1985 ("the 1985 Act") and paragraph 5A Schedule 11 to the Commonhold and Leasehold Reform Act 2002 as to the amount of service charges and administration charges in respect of litigation costs payable by the Applicant in respect of the service charge periods (a) 01 July 2023 – 30 June 2024, (b) 01 July 2024 – 31 December 2024 and (c) the budget for 01 January 2025 - 31 December 2025.

The hearing

2. The Applicant appeared in person hearing and the Respondent was represented by Ms C Zanelli, solicitor.

3. We were provided with an electronic bundle of 815 pages, many of which we had no need to read as they concerned individual invoices for various service carried out.

4. We heard oral evidence from the Applicant and from Mr Uyi Otokiti, who is a property director at Zone Property Management Ltd ("Zone"). Zone is the managing agent appointed by the Respondent.

5. We found the Applicant a credible witness, who had prepared his case with great care.

6. We found Mr Otokiti defensive and less credible. As he only visited the Development once every four weeks, he clearly had far less day to day knowledge of what was going on than the Applicant did.

The background

7. The property which is the subject of this application is Flat 2, Magnolia House, Wych Elm, Harlow CM20 1FW ("the Flat" and "Magnolia House" respectively). It is a two bedroom flat on the second floor.

8. Neither party requested an inspection, and the Tribunal did not consider that one was necessary, nor would it have been proportionate to the issues in dispute.

The Development

9. Magnolia House is one of four blocks which make up Flora Gardens ("the Development"). The other blocks are Bluebell House, Mayflower House and Wisteria House. They were all built in 2023.

10. Each of the four blocks are joined, and collectively form a "square pattern". Each block has its own entrance, accessible only to the residents of that block.

11. The ground and first floors of each block comprise commercial units and car parking spaces ("the Car Park").

12. Bluebell House is seven storeys high, with 25 flats in both social housing and private ownership.

13. Magnolia House is also seven storeys high, with 24 flats in both social housing and private ownership.

14. Wisteria House is nine storeys high, with 34 flats all of which are in private ownership.

15. Mayflower House is ten storeys high, with 39 flats all of which are in social housing ownership.

The Lease structure, the provision of the Services and the recovery of the Service Charges

The First Lease

16. There is a head lease of the Flat dated 21 December 2023 ("the First Lease"). It was made between the Respondent and HH No 1 Ltd ("HH No 1"), for a term of 250 years from 01 December 2021.

17. Schedule 8 governs the provision of services ("the Services"). They consist of four categories of services:

(a) The Block Services (defined in Part 2 Schedule 8).

(b) The Estate Services (defined in Part 3 Schedule 8).

(c) The Energy Equipment Services (defined in Part 4 Schedule 8).

(d) The Car Park Services (defined in Part 5 Schedule 8).

18. HH No 1 is under an obligation to pay a "fair and reasonable" proportion attributable to the Flat of each category of Services ("the Service Charge"). Different proportions are laid down for each of the categories. There is no challenge to the various percentages applied by the Respondent.

19. The communal heating and hot water system is supplied centrally to the whole Development. This supply is defined as the "Energy Services". The equipment supplied by the Respondent for the purpose of providing the Energy Services is defined as the "Energy Equipment".

20. Service charges are payable on account on the 1st January and 1st July each year. There are the usual provisions for a statement of annual expenditure to be drawn up at the end of each year, and appropriate adjustments to be made.

21. By clause 5 of the First Lease, the Respondent covenanted to provide the Services, apart from the Energy Services. This is presumably because the energy supplier is paid directly by the lessees.

22. The Respondent by the same clause also covenanted directly with the Applicant to provide the Services. Although the Applicant is not a party to the First Lease, it is clear by implication from paragraph 11 of the Schedule 5 to First Lease that the Applicant, as a third party, has the benefit of clause 5 of the First Lease by virtue of the Contracts (Rights of Third Parties) Act 1999.

23. By clause 2.4 of the First Lease, HH No 1 covenanted to pay the Service Charge.

The Second Lease

24. There is an underlease of the Flat also dated 21 December 2023 ("the Second Lease"). It was made between HH No 1 and Heylo Housing Registered Provider Ltd ("Heylo Housing"), for a term of 250 years from 01 December 2021 less three days.

25. The Second Lease does not concern the Service Charge.

The Third Lease

26. There is a sub-underlease of the Flat also dated 21 December 2023 ("the Third Lease"). It was made between Heylo Housing and the Applicant, for a term of 250 years

from 01 December 2021 less six days.

27. By clause 8.1 of the Third Lease, the Applicant covenanted to pay the Service Charge not only to Heylo Housing, but also to the Respondent (therein defined as "the Management Company"), albeit that the Respondent was not a party to the Third Lease.

The Deed of Covenant

28. In order to make it clear that the Applicant is under an obligation to pay the Service Charge to the Respondent, the parties in these proceedings also entered into a direct covenant in a Deed of Covenant dated 06 December 2023, whereby the Applicant covenanted to pay the Service Charge direct to the Respondent.

The overarching issues

29. The Applicant makes two overarching objections to paying the Service Charges.

30. The first overarching objection is that the Memorandum of Sale provided to him when he purchased the Flat ("the Memorandum") stated that the service charges would amount to approximately £1,715.98 per annum. He is now being expected to pay much more by way of service charges.

31. The Respondent has two answers to this. First, the Memorandum did not form any part of the Lease. Secondly, the Respondent was not a party to the Memorandum.

32. We accept these submissions. If the Memorandum, on its true construction, was not true (and we are not suggesting that it was), the Applicant may or may not have a claim against Heylo Housing, but not against the Respondent.

33. We believe that the Applicant has genuinely convinced himself that the Service Charge would be more or less a fixed charge. But it is not. It is a variable charge.

34. The second overarching objection is that the Applicant is being expected to pay for defects arising from the construction of the Development.

35. This is not correct. Magnolia House was completed when the budget came into effect on 01 July 2023. The underbudgeted items did not relate to construction costs. There are no snagging items being charged for.

The individual challenges

36. We now turn to the individual charges challenged in the periods (a) 01 July 2023 - 30 June 2024, (b) 01 July 2024 - 31 December 2024 and (c) the estimated costs for 01 January 2025 - 31 December 2025.

01 July 2023-30 June 2024

A. Car Park £3,064

37. The Car Park Expenditure is payable under Part 1 of Schedule 8 to the Lease.

38. The demise of the Flat includes a designated space in the Car Park ("the Parking Space").

39. The Applicant says he should not have to pay the Car Parking Service Charge. Entry to the Car Park is controlled by a key fob, and he was not provided with a fob until 18 December 2025. The Parking Space was occupied by another car, which Zone had not prevented from parking there, until 20 January 2026.

40. We accept the Applicant's evidence on this point.

41. Mr Otokiti was not aware of the issue of the fob. He says that car parking matters are dealt with by Heylo Housing. But the Respondent's covenant is to provide the Car Parking Services to the Applicant (see paragraph 22 above).

42. Mr Otokiti also says, as an aside, that the Applicant does not own a car. This is irrelevant. He has been deprived of use of his Parking Space for friends and relatives visiting him.

43. We do not see why the Applicant should have to pay service charges for an amenity the Respondent has failed to provide. No charges are payable.

B. Lift Maintenance £30,225

44. Expenditure on the lift is payable as expenditure on plant under Paragraph 4 of Part 2 of Schedule 8 to the Lease.

45. The Applicant says he rarely uses the lift and it is constantly breaking down.

46. The Respondent says whether or not he uses it he is required to pay for it. This

is correct in principle. But if it does not provide a reasonable service, the charges can be adjusted.

47. Mr Otokiti explained that historically there had been regular call outs to address issues with the lifts, which were all installed new in 2023. This was mainly due to new residents moving in with heavy furniture and the like, and forcing the doors open for more than the 30 seconds allowed.

48. Zone took all reasonable steps, he says, to mitigate these difficulties by putting up signs and writing to the residents.

49. There is no evidence that the lifts were installed with an incorrect system or have been fitted badly. As we explain in paragraph 61 below, shutting down the lifts because of false fire alarms is not evidence of an unreasonable service.

50. We are not persuaded the lift does not provide a reasonable service. This expenditure is payable.

C. Cleaning £16,600

51. Expenditure on internal communal cleaning is payable under paragraphs 4 of Parts 2 and 3 of Schedule 8 to the Lease.

52. Expenditure on keeping the outside tidy is payable under paragraph 9 of Part 2 and paragraph 8 of Part 3 of Schedule 8 to the Lease.

53. Expenditure on bin store cleaning is payable under paragraph 10 of Part 2 and paragraph 9 of Part 3 of Schedule 8 to the Lease.

54. The Applicant says that the cleaning in Magnolia House, the Car Park and the communal parts of the Development is not fit for purpose. He refers to the stairs never being washed, and stains on the carpets never removed.

55. He also complains about the state of the bin stores.

56. As to internal cleaning, it is said by the Respondent that a competitive tender has recently been undertaken resulting in the existing cleaners (Prime Cleaning Services) being re-appointed. They attend regularly and continue to deliver the required level of service, including deep cleaning. Much of the wear and general untidiness is down to resident use, rather than any failure by the cleaners. Additional

works required are instructed separately.

57. As to keeping the outside tidy, it is said there are no complaints. As to the bin stores, it is said this is only charged for work as done.

58. We are not persuaded the cleaning does not provide a reasonable service. This expenditure is payable.

D. Heating and Hot Water

59. The Energy Equipment Services Expenditure is payable under Part 4 of Schedule 8 to the Lease. This includes keeping the equipment in a good state of repair, arranging insurance cover, retaining professional consultants and employing independent contractors.

60. The Applicant says false alarms cause system failure.

61. However, we accept Mr Otokiti's evidence that the plant and equipment has not broken down. It is part of the system that, if a fire alarm goes off in any part of the Development, all the lifts and hot water/ heating systems in the Development shut down. False alarms cause the shut downs as a safety measure, not by any defect.

62. Taking our knowledge and experience as a Specialist Tribunal into account, we conclude the system provided is a reasonable one.

63. The Applicant also contends charging this expenditure per block would be preferable. But this is not possible as it is one system for the whole Development.

64. This expenditure is payable.

E. Fire Safety Maintenance

65. Expenditure on fire safety maintenance equipment services is payable under paragraph 6 of Part 2 and paragraph 5 of Part 3 of Schedule 8 to the Lease.

66. The fire safety system alarms (including false alarms) shut down the lifts and hot water/ heating systems as we have seen. The Applicant contends that these false alarms are due to misuse by intruders and other residents (especially the social housing tenants in other Blocks). He says that better security measures would prevent or cut down the instances of misuse.

67. He also argues that a better system would provide for isolation per Block when an alarm in it went off, rather than throughout the Development. Again, he contends a charge per block would be preferable.

68. Whilst we have some sympathy for the argument that isolation should be on a Block by Block basis, we are not persuaded, on balance, that the expenditure on fire safety maintenance equipment is unreasonable. This expenditure is payable.

F. Window Cleaning £5,994

69. Expenditure on window cleaning is payable under paragraph 5 of Part 2 and paragraph 2 of Part 3 of Schedule 8 to the Lease. In the light of the height of the Blocks, the cleaning involves abseiling. It is done twice a year.

70. The Applicant is highly critical of the standard of window cleaning. He says his windows are never clean, and he does it himself. His neighbours report the window cleaners spending much of their time on their mobile phones, and dirty water being used to clean the windows.

71. Ms Zanelli objected to our admitting this hearsay evidence, including screen shots sent by other residents to the Applicant. She says she has not had the opportunity to cross-examine them.

72. The objection is misguided. In any civil case, hearsay evidence is admissible. It is up to us as to what weight we attach to it. There is no reason to doubt the veracity of this evidence. It has the ring of truth about it.

73. In any event, the strict rules of evidence do not apply to proceedings in the Tribunal: see r.18(a)(6)(i) The Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013.

74. We will allow the Respondent only 50% of the costs of window cleaning.

G. Management Fees £13,378

75. Management fees are payable under paragraph 20 of Part 2 and paragraph 19 of Part 3 of Schedule 8 to the Lease.

76. The Applicant says Zone has constantly failed in its obligations and the amount charged is unreasonable.

77. The Respondent says the service has been of a reasonable standard and is done at a reasonable cost. Zone's responsibilities in managing an estate as large and complex as the Development are considerable. They including responsibilities under the Building Safety Act 2022.

78. We do not take issue with the performance of Zone's duties. But taking into account our knowledge and experience as a Specialist Tribunal we find the amount charged as being too high. We consider a reasonable figure would be ~~£288.00~~ £240.00 plus VAT per unit.

01 July 2024-31 December 2024

A. Car Park

79. Not allowed. See paragraph 43 above.

B. Lift Maintenance

80. Allowed. See paragraph 50 above.

C. Cleaning

81. Allowed. See paragraph 58 above.

D. Heating and Hot Water

82. Allowed. See paragraph 64 above.

D. Fire Safety Maintenance

83. Allowed. See paragraph 68 above.

E. Window Cleaning

84. Not challenged for this year. Allowed.

F. CCTV

85. No amount was claimed in the accounts for this year.

G. Management Fees

86. We allow ~~£288.00~~ £240.00 plus VAT per unit: see paragraph 78 above.

01 January 2025-31 December 2025 (Budget)

A. Car Park

87. Not allowed. See paragraph 43 above.

B. Lift Maintenance

88. Allowed. See paragraph 50 above.

C. Cleaning

89. Allowed. See paragraph 58 above.

D. Heating and Hot Water

90. Allowed. See paragraph 64 above.

E. Fire Safety Maintenance

91. Allowed. See paragraph 68 above.

F. CCTV Invoice

92. 50% allowed. See paragraph 85 above.

G. Management Fees

93. We allow £240.00 plus VAT per unit: see paragraph 78 above.

Application under s.20C and refund of fees

94. Our preliminary view is that the Applicant having been successful on certain issues, the Tribunal should make orders:

(a) under s.20C of the 1985 Act that the Respondent may not pass any of its costs incurred in connection with the proceedings before the Tribunal through the service charge;

(b) that the Respondent is to refund any fees paid by the Applicant.

95. The Respondent is to serve any representations regarding these proposed orders by 28 days after the date of this decision.

Application regarding late payment fee of £36

96. The Tribunal has no jurisdiction over this, as no application has been made in respect of such an administration charge.

Name: Judge S Brilliant **Date: 29 January 2026**

Amended: 23 February 2026

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).