

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference

MAN/00BS/OLR/2015/0006

Property

Flat 3, Laurel Court, Laurel Road,

Stockport SK4 4PP

Applicant

GLENDA SEDMAN

Competent Landlord:

WILLIAM WARDLE (BUILDERS) LIMITED

(dissolved company)

Intermediate

Landlord

BLANDMERE LIMITED

Type of Application

Section 51, Leasehold Reform, Housing and Urban

Development Act 1993

Tribunal Members

A M Davies, LLB

A Franks, FRICS

Date of Decision

21 April 2015

DECISION

© Crown Copyright 2015

1. The terms of the new lease to be granted to the Applicant pursuant to the order of Stockport County Court in claim number AooSK830 (pursuant to the Applicant's application in those proceedings dated 13 November 2014) are:

<u>Term</u>: to start on 14 October 2014 and to end on 21 December 2165, both dates inclusive

Premium to be paid into court: £9045 (nine thousand and forty five pounds)

<u>Management</u>: Blandmere Limited to be added as a party to the lease as "the Management Company" and to covenant with the tenant and the landlord to observe and perform the obligations set out at Schedule 7 of the Lease.

<u>Lessee's covenants</u>: The lessee's covenant contained at clause 2 of the Lease to observe and perform the obligations set out in the Sixth Schedule to the Lease is to be repeated in the new lease as a covenant given by the tenant to and for the benefit of the Management Company and the landlord.

Remaining terms: as the draft lease attached to this order.

2. Prior to grant of the lease, the Applicant shall pay compensation in the sum of £190 to the Intermediate Landlord.

REASONS

- 1. The Applicant holds Flat 3 Laurel Court, Stockport ("the Property") on a lease ("the Lease") from the Intermediate Landlord at a ground rent of £15 pa. The Lease term ends on 21 December 2075.
- 2. The Intermediate Landlord holds the reversionary interest in the Property on a lease ("the Intermediate Lease") from the Competent Landlord. The Intermediate Lease term ends on 31 December 2075.
- 3. The Applicant is entitled to a new lease extending the Lease term by 90 years and subject to a peppercorn rent, pursuant to section 39 and subsequent sections of the Leasehold Reform, Housing the Urban Development Act 1993 as amended ("the Act").
- 4. The Competent Landlord being a dissolved company, on 13 November 2014 the Applicant applied to the Stockport County Court pursuant to section 50 of the Act. She obtained a vesting order which provides that, following the decision of this Tribunal, the premium payable by the Applicant to the Competent Landlord for grant of the new lease is to be paid into court and the Applicant is to apply to the District Judge to execute the new lease.
- 5. The Applicant applied to this Tribunal for determination of the terms of the new lease, pursuant to section 51 of the Act. With her application the Applicant lodged a valuation report prepared for her by Mr John Faulkner FRICS and dated 8 October 2014.

- 6. On 21 April 2015 this Tribunal inspected the Property externally and made a paper determination as to the terms of the new lease. The Tribunal found that the valuation of the Property, the assumptions and calculations made by Mr Faulkner were in all respects acceptable, and his valuation of the Competent Landlord's interest until 21 December 2165 at £9045 is approved and adopted by the Tribunal.
- 7. The Intermediate Landlord is entitled to compensation for loss of the ground rent to 21 December 2075. Mr Faulkner valued this loss at £190, and the Tribunal approves and adopts that valuation.
- 8. The Intermediate Landlord is a company owned by each of the 6 leaseholders at Laurel Court. Paragraph 22 (a) of the Sixth Schedule to the Lease reads:

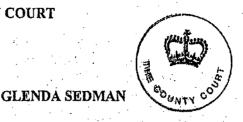
"The Lessee shall procure that at all times the Owner for the time being of the Premises [ie, the flat] holds the Lessee's share in the Lessor and is registered as a member of the Lessor as holder of that share."

At clause 3 of the Lease the Intermediate Landlord covenants with the lessee to insure and repair the building, maintain the common parts, prepare service charge accounts and to carry out other management responsibilities as set out in Schedule 7 of the Lease. Notwithstanding the creation of a new lease, these responsibilities have still to be carried out by the leaseholders through their company Blandmere Limited. That company is therefore to be joined as a party to the new lease as "the Management Company", and to covenant with the tenant and the Competent Landlord in the terms of Schedule 7 of the Lease.

- 9. As a consequence of the Intermediate Landlord's re-designation as the Management Company, the lessee's obligations contained in the Sixth Schedule to the Lease are to continue as obligations owed to both the Competent Landlord and the Management Company, and in the new lease clause 2 of the Lease is to be amended accordingly.
- 10. Other terms of the Lease are to remain in effect and, subject to the changes recorded above, the new lease shall take the form of the draft lease attached to this Order.
- 11. Neither the Competent Landlord nor the Intermediate Landlord have incurred costs in this application and therefore no order is made for payment of costs by the Applicant.

IN THE STOCKPORT COUNTY COURT

Between:



Claim No. 1008K8

Claimant

WILLIAM WARDLE (BUILDERS) LIMITED (A dissolved company)

and

Defendant

DRAFT ORDER

Upon the Court considering the Claimant's application dated .. 13... Navember 2014

And upon the Defendant having been dissolved on 15th November 2005

It is ordered:

- 1) Subject to the Claimant complying with paragraph (2) of this order, below, the Claimant is entitled to a new lease of Flat 3 Laurel Court, Laurel Road, Heaton Moor, Stockport SK4 4PP on such terms as may be determined by the First Tier Tribunal (Property Chamber)
- 2) Solely in order for such entitlement to be effected, the leasehold reversionary interest shall vest in this Court
- 3) The Claimant shall:
- (i) make an application to the First Tier Tribunal (Property Chamber) for (a) a determination of the value of amount to be paid by way of a premium for the grant of a new lease and (b) for the other terms of the new lease to be determined
- (ii) pay into court such sum as the First Tier Tribunal (Property Chamber) may determine, less such sum as she has incurred in costs in making this application (and the Claimant is reminded of CPR 56 PD 14.5)
- (iii) at the same time as making the payment referred to at paragraph 2(iii) of this order, make application to this Court for the District Judge to execute the said new lease. Such application shall be determined on paper and shall be supported by evidence exhibiting (a) a schedule of costs in form N260, (b) a draft of the said new lease and (c) a copy of the said lease of 11th May 1977
- 4) Upon the Claimant complying with paragraph 2 of this order above, and upon the First

Tier Tribunal (Property Chamber) determining the amount to be paid into Court and the other terms of the new lease, the District Judge shall execute the new lease