



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

Case Reference	8 0	LON/00BK/LVM/2016/0006
Property	:	45 Essendine Road, London W9 2LX
Applicant	:	Ms M Solomon
Representative	:	Mr J Sutherland, Counsel
Respondents	:	Ms C Karpellus, Mr A Morris, Mrs D Morris and Ms M Solomon
Representative	:	Mr T Stern, joint leaseholder of the basement flat
Type of Application	:	For the determination of an application for the appointment of a manager
Tribunal Members	:	Judge P Korn (chairman) Mr I Thompson BSc FRICS
Date and venue of Hearing	:	7 <sup>th</sup> September 2016 at 10 Alfred Place, London WC1E 7LR
Date of Decision	:	28 <sup>th</sup> September 2016

# DECISION

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## **Decisions of the Tribunal**

- (1) The requirements of section 24(2)(a) and of section 24(2)(b) of the Landlord and Tenant Act 1987 (the "**1987 Act**") have been fulfilled, and therefore sufficient grounds exist to warrant the appointment of a manager in principle.
- (2) However, the Tribunal is not satisfied that it would be appropriate to appoint Mr Cleaver as manager of the Property, and nor is the Tribunal satisfied that it would be appropriate to appoint any of the possible managers proposed by the Main Respondents.
- (3) In the circumstances, the Tribunal makes the further directions set out in paragraphs 49 to 56 below.
- (4) The Tribunal makes an order under section 20C of the Landlord and Tenant Act 1985 that none of the costs incurred by the Applicant or by the Main Respondents in connection with these proceedings are to be regarded as relevant costs to be taken into account in determining the amount of any service charge payable by any of the parties to this case in their capacity as leaseholders. In other words, none of the costs are recoverable through the service charge.
- (5) The Tribunal declines to make an order under rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 either (i) that the Applicant should reimburse the Main Respondents' legal costs incurred in connection with these proceedings or (ii) that the Main Respondents should reimburse the Applicant's legal costs incurred in connection with these proceedings.

### The application

- 1. The Applicant seeks the appointment of a manager over the Property pursuant to section 24 of the 1987 Act.
- 2. The Property is a terraced house which has been converted into four residential flats. The Respondents are the joint owners of the freehold interest in the Property. Ms Solomon is named as the Applicant and also as one of the Respondents because although the application has been made by her she is also one of the joint owners. In order to avoid confusion, the other three Respondents will be collectively referred to below as the Main Respondents.
- 3. The relevant legal provisions are set out in the Appendix to this decision.

## **Background**

4. The application follows the service by the Applicant on the Respondents of a notice pursuant to section 22 of the 1987 Act. The notice specified various alleged breaches of covenant by the Respondents as landlord under the Applicant's lease ("**the Lease**") and also specified various other circumstances which the Applicant submitted made it just and convenient for the Tribunal to appoint a manager.

- 5. The Applicant proposes Mr Paul Cleaver of Urang Property Management Limited ("**Urang**") as the manager. Urang is the Respondents' current managing agent in relation to the Property.
- 6. In their initial written submissions the Main Respondents opposed the appointment of a manager. However, in later submissions they accepted that the relationship between the parties had broken down and expressed the view that it would be appropriate for a manager to be appointed. The Main Respondents were, though, vehemently opposed to Mr Cleaver being appointed as the manager. In written submissions they suggested possible alternative managers.
- 7. At the hearing the Tribunal explained that even though the parties were now agreed that a manager should be appointed, nevertheless the Tribunal still had to be satisfied that one should be appointed. The Tribunal therefore invited the parties to make oral submissions on the question of whether a manager should be appointed in principle, with a view to the Tribunal then making a preliminary decision on this point.

### Applicant's submissions on the principle of appointing a manager

- 8. At the hearing, Mr Sutherland referred the Tribunal to the relevant legislation. As regards the grounds for the application, the Applicant was relying on section 24(2)(a) and/or on section 24(2)(b) of the 1987 Act.
- 9. In relation to section 24(2)(a), the Applicant stated in written and oral submissions that the landlord's obligations in clauses 3(a)(i) and 3(b) of the Lease, relating to the management of the Property, had been breached. For example, electrical works and health and safety works identified as being necessary back in 2010 had still not been carried out. In addition, the building insurance had not been properly administered; in particular, no valuation had been obtained to confirm that the Property was being insured to its full reinstatement value and the insurer selected was not considered to be an insurer of repute. In addition, the building insurance had been allowed to lapse at a certain point in time.
- 10. In relation to section 24(2)(b), it was submitted that other circumstances existed which made it just and convenient to appoint a manager. By way of example, the Main Respondents had failed to give instructions to Urang as managing agent when requested and had sought to terminate Urang's appointment without the Applicant's agreement in breach of the terms of an April 2009 Agreement. In addition, frequent stalemates among the Respondents had arisen and, importantly, the Main Respondents were now in agreement with the Applicant that a manager should be appointed.

### Main Respondents' comments on the principle of appointing a manager

11. The Main Respondents agreed that a manager should be appointed, although they took issue with aspects of the Applicant's analysis of the problems that had arisen and as to the degree of blame which should be borne by them. They agreed that

the April 2009 Agreement required unanimous instructions and now realised with hindsight that this was always going to be unworkable.

12. As regards building insurance, in their view the Property was over-insured. They had relied on the managing agents' advice on valuation but conceded that possibly they should not have done so. As regards repair, it was accepted that the 2010 recommendations had not been implemented.

#### <u>Tribunal's decision on preliminary issue as to whether there are sufficient</u> <u>grounds in principle to appoint a manager</u>

- 13. On the basis of the information before it, the Tribunal is satisfied that the Applicant had a right under section 21 of the 1987 Act to apply for the appointment of a manager, that she has complied with section 22 of the 1987 Act and that she is not precluded from applying by virtue of the provisions of section 23 of the 1987 Act.
- 14. In relation to the grounds for the application, we are satisfied that sufficient grounds exist that it would be just and convenient to appoint a manager. The relevant parts of section 24(2) of the 1987 Act provide that a tribunal may only make an order for the appointment of a manager "(a) where the tribunal is satisfied (i) that any relevant person … is in breach of any obligation owed by him to the tenant under his tenancy and relating to the management of the premises in question … and (iii) that it is just and convenient to make the order in all the circumstances of the case … or (b) where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made".
- 15. On the basis of the evidence provided, we are satisfied that the Respondents have been in breach of obligations owed by them to the Applicant in her capacity as leaseholder. In particular, the failure to carry out works identified in 2010 as needing to be carried out is a serious one. The evidence also indicates – on the balance of probabilities – that there have been failings in relation to building insurance as well as certain other failings. The breakdown in relations between Ms Solomon, the Main Respondents and the managing agents is serious and longstanding, and it seems unlikely that the relationship will improve in the absence of an externally imposed solution. Therefore in our view it would be just and convenient to make an order for the purposes of section 24(2)(a). We are also of the view that the breakdown in relations is sufficiently serious that it would be just and convenient to make an order for the purposes of section 24(2)(b) even if there was insufficient proof of a breach for the purposes of section 24(2)(a)(i).
- 16. Therefore, as a preliminary issue, we consider that sufficient grounds exist to warrant the appointment a manager. This enables us to consider the next question, namely whether Mr Cleaver (or any of the people suggested by the Main Respondents) should be appointed as manager.

### <u>The Applicant's proposed manager – Mr Cleaver</u>

- 17. The hearing bundle contains details of Mr Cleaver's qualifications and experience, details of his proposed management plan and a draft management order, and a witness statement from him. The witness statement, amongst other points, contains a paragraph stating that - whilst as managing agent Urang has repeatedly sought instructions from the Respondents on various issues – on most occasions Urang has only received a response from the Applicant (in her capacity as one of the Respondents). When Urang has received communications from the other Respondents these have tended to come from Mrs Morris and on most occasions her instructions have been **not** to do various things.
- 18. At the hearing Mr Cleaver was cross-examined by Mr Stern for the Main Respondents. Mr Stern referred Mr Cleaver to examples of an apparent failure on Urang's part to respond to the Main Respondents. Noting that the examples were from quite a long time ago, Mr Cleaver said that he did not have perfect recollection as to what had actually happened but conceded that if the Main Respondents' version of events was accurate then under normal circumstances Urang's failings would be unacceptable. However, these were not normal circumstances given the extreme difficulties faced by Urang in obtaining instructions from the Respondents.
- 19. Mr Stern also noted that Urang had sent each of the Main Respondents a letter before action in relation to their service charge arrears on the instructions of the Applicant, even though Urang knew that it could not accept instructions from the Applicant alone. Mr Cleaver replied that in his view Urang had ongoing implied authority to pursue arrears in the absence of any specific instructions to the contrary.
- 20. In relation to a question about the building insurance Mr Cleaver said that an insurance valuation should have been carried out but that Urang could not organise this because they did not have instructions. Mr Stern asked Mr Cleaver whether Urang had informed all of the Respondents when aware that the building insurance had lapsed and Mr Cleaver replied that he had informed the Applicant on the basis that she would then inform the others. He defended this on the basis that dialogue had broken down at this point.
- 21. Mr Stern asked Mr Cleaver why Urang had arranged for the health and safety assessment to be updated if he did not have the Respondents' unanimous agreement, given that Urang felt unable to do other things without such agreement. Mr Cleaver conceded that Urang should not have done so, and this was why Urang had refunded the cost of this work. As regards the sump pump, Mr Stern asked whether Urang had simply forgotten to service it in 2011 or 2012. Mr Cleaver was unable to say exactly what the reason was for the failure to service it but said that it was possible that Urang did not feel that it had the authority to do so. He also commented that it could have resulted from an internal information technology problem, as Urang's systems were less sophisticated in 2011/12 than they were now.

- 22. Mr Stern put it to Mr Cleaver that Urang had been favouring the Applicant by providing her with certain information and not providing that same information to the Main Respondents. Mr Cleaver accepted that there had been communication problems but said that Urang had not set out to have favourites.
- 23. In response to a question from the Tribunal as to why Urang did not resign in the seemingly unworkable circumstances in which it found itself, Mr Cleaver said that he did not like to leave unfinished business. When asked how the management would change if Mr Cleaver was appointed as manager, Mr Cleaver said that he would have new duties to which to adhere and that this would make it easier for him to insist on compliance.

## Applicant's evidence

- 24. The hearing bundle contains a witness statement from the Applicant which deals, amongst other things, with Urang's performance as managing agent and its relations and dealings with the Main Respondents and with her reasons for seeking the appointment of Mr Cleaver of Urang as manager.
- 25. In cross-examination, Mr Stern asked the Applicant whether it would not be better to have a manager with whom all of the freeholders would be happy. The Applicant replied that the issue for her was whether the proposed manager had the experience and knowledge to protect her liability as one of the joint freeholders. She considered Mr Cleaver to have the requisite experience and added that he was fully FCA authorised and did not need supervising. She would, though, be happy to consider someone else if someone appropriate was proposed.
- 26. The Applicant said that she had tried to find alternative managers but had not received co-operation from the Main Respondents when trying to progress matters. She also had limited time to source someone as she worked and had a child and also had health issues.

### Mrs Morris' evidence

- 27. The hearing bundle contains a joint witness statement from Mr and Mrs Morris which deals, amongst other things, with the reasons why they are opposed to the appointment of Mr Cleaver as manager.
- 28. At the hearing she acknowledged that at a certain point she had stopped paying her service charge. She said that the reasons for this were that initially she was unhappy with the level of service and communication from Urang and that later matters got worse and she no longer even trusted Urang.
- 29. Mrs Morris did not accept that the Applicant would be happy with anyone other than Urang, but Mrs Morris did not herself have any confidence in Urang as they had been taking instructions as regards chasing arrears solely from the Applicant. She also referred the Tribunal to a dispute about a sump pump invoice and said that she was shocked that Urang knew that the Main Respondents were about to be sued in relation to this invoice but had not given them much earlier warning.

- 30. As regards the Applicant's apparent difficulty in sourcing a potential manager with the right level of experience and qualifications, Mrs Morris said that it was a small building and did not need anything special.
- 31. In cross-examination, Mr Sutherland for the Applicant put it to her that Urang's actions in relation to the sump pump invoice were reasonable in that its warning to the Main Respondents of impending legal action came just 6 days after the threat of such action was made. Whilst there were indeed previous requests for payment, the evidence suggested in Mr Sutherland's submission that those requests may have been sent direct to the Property and not seen by Urang.
- 32. Mr Sutherland also put it to Mrs Morris that the Applicant's solicitors had written to the Main Respondents' solicitors stating that the Applicant was willing to consider any alternative candidate for manager. He also put it to Mrs Morris, and she conceded, that there was at least some evidence of Urang having sought instructions from the Main Respondents but not having received any instructions. Mrs Morris commented, though, that it was rare for Urang to seek instructions from the Main Respondents.
- 33. In relation to the building insurance, Mrs Morris conceded that the Main Respondents had not taken Urang's advice on the need to obtain a proper valuation.

#### Terms of management order

34. Neither party had any comments to make on the Applicant's draft terms other than as to the length of any appointment. The Tribunal asked Mr Sutherland whether the Applicant and Mr Cleaver would be happy with, say, a 3 year appointment rather than a 5 year appointment and Mr Sutherland said that they were prepared to be flexible on this point. Mr Stern said that the Main Respondents would prefer a 3 year term to a 5 year term.

### **Closing comments**

- 35. The Main Respondents felt that the Applicant had an unrealistically high threshold for how the Property should be managed. In addition, specifically in relation to Urang, 3 out of 4 of the freeholders did not trust them, and Urang was now closely aligned with the Applicant. An appointment would reward Urang for its previous poor performance, and relations between the parties would not improve if Urang continued to be involved.
- 36. The Applicant felt that Mr Cleaver was the appropriate choice. He had been appointed as a manager by the Tribunal several times before. Urang's difficulties to date in relation to the management of the Property had generally resulted from a lack of funds and a lack of instructions.

## Tribunal's analysis and determination

- 37. As noted above, having considered the written and oral evidence we are satisfied in principle that a manager should be appointed. The next issue is therefore whether Mr Cleaver should be appointed or, in the alternative, whether any of the possible managers proposed by the Main Respondents should be appointed.
- 38. Dealing first with the possible managers proposed by the Main Respondents, as explained at the hearing we simply do not have sufficient information in relation to any of these to enable us to appoint one of them as manager. In order to be able to take a sensible view as to whether to appoint someone we need to see the information set out in the directions and an opportunity to cross-examine the proposed manager. In the interests of fairness, the Applicant also needs to be given an opportunity to cross-examine any manager proposed by the Main Respondents. This is not meant as a criticism of the Main Respondents; we acknowledge that the directions only envisaged the Applicant proposing a manager, and we explained to the parties at the hearing the policy reasons underlying this. It does, though, mean that none of the Main Respondents' proposed managers can be appointed in the absence of the abovementioned further information and opportunity for cross-examination.
- 39. We now turn to the question of whether Mr Cleaver should be appointed. Mr Cleaver is an experienced managing agent and, as noted by the Applicant, has been appointed as a manager by the Tribunal on previous occasions.
- 40. As regards Urang's performance as managing agent, there is a large amount of information on this issue in the hearing bundle and the issue was also tested at the hearing in cross-examination, and we do not consider it necessary or practical to summarise the position in detail. Based on the evidence before us, we accept that Urang's role as managing agent at the Property has been a difficult one. After what seems to have been a positive beginning, the evidence indicates that Urang has experienced genuine difficulties in obtaining instructions on key issues and in obtaining payment of service charge arrears.
- 41. However, the evidence also points to some significant failings on the part of Urang. Despite the whole basis of their appointment being one which required Urang to act only on unanimous instructions from the freeholders, it sometimes chose to act on instructions from the Applicant alone, despite being well aware of the frictions between freeholders. Even if it felt that certain issues had to be dealt with and therefore that instructions from the Applicant were better than no instructions, it was not consistent in its approach and used the inability to obtain joint instructions as an excuse for inaction in relation to some important issues. In addition, whilst it could not force the other freeholders to provide instructions it seems that at a certain point Urang virtually gave up on even communicating with the Main Respondents, choosing instead to rely on the Applicant to pass on messages despite the breakdown in her own relations with the Main Respondents.
- 42. When asked at the hearing why Urang did not resign as managing agent, Mr Cleaver said that he did not like to leave unfinished business. However, the evidence indicates that over a long period Urang was unable to carry out its

responsibilities properly and effectively, and in the circumstances we consider that it was irresponsible to allow matters to drift for so long.

- 43. The Main Respondents have argued forcefully that they have no trust in Urang. In relation to this point, it is worth emphasising that the application for the appointment of a manager is a fault-based application, and we have already determined that sufficient grounds exist in principle to justify the appointment of a manager and that the Main Respondents have been at fault. The fault has not been theirs alone, and we have heard about certain mitigating factors such as difficult personal circumstances, but the application was nevertheless triggered by the Main Respondents' failings. The starting point, therefore, is that it is not for the Main Respondents to choose the manager and nor should the Tribunal's primary concern be how much the Main Respondents like the proposed manager.
- 44. However, whilst it is not appropriate to reward the Main Respondents for their failings it is important to appoint someone as manager who we consider has a reasonable prospect of managing the Property effectively. Success is of course not guaranteed whoever is appointed, but we do not consider it to be a sensible use of the Tribunal's discretion to appoint someone about whom we have significant reservations simply because those reservations are shared by the Main Respondents.
- 45. We must emphasise that any reservations that we have in this case are not intended to be read as a general criticism of Urang as a firm or of Mr Cleaver personally. Urang is an experienced firm of managing agents and no doubt has many satisfied customers. The issue is Mr Cleaver's ability to act as manager in relation to this particular Property in the circumstances of his and Urang's previous involvement. It is true that the role of manager is significantly different from that of managing agent and that it gives a person more powers, particularly in a situation where there are difficulties in obtaining instructions from the freeholders. However, although some of Urang's difficulties have resulted from a failure on the part of the Main Respondents to engage at times with both Urang and the Applicant, the evidence indicates that Urang has not handled matters well. It has allowed important matters to drift, has given the appearance of siding with the Applicant or at the very least of giving up on communicating properly with the Main Respondents, and in our view has become part of the problem.
- 46. The Applicant has claimed that it is very difficult to find a suitable person to put forward as a proposed manager, but we do not accept this. There is no evidence before us to indicate that this is a particularly complex building with unusual issues, and it should be possible to find someone who can make a fresh start and can plausibly expect to gain the trust and confidence of all parties. Given the history of the relationship between the Applicant and the Main Respondents we are not expecting the manager's job to be an easy one whoever is appointed but in our view it is worth spending a bit longer to find someone who does not already have very difficult relations with one of the parties.
- 47. For all of the above reasons we therefore decline to appoint Mr Cleaver as manager in respect of the Property.

48. As we have decided not to appoint a specific manager at this stage there is no real value in expressing our views on the draft management order in this decision, particularly as any alternative manager put forward may well have his or her own preferred form of management order for consideration.

## **Further directions**

- 49. As we are satisfied in principle that a manager should be appointed but have determined that Mr Cleaver should not be appointed and that none of the Main Respondents' proposed managers can be appointed in the absence of further information and an opportunity for cross-examination, further directions are now needed to take matters forward.
- 50. As no manager has yet been appointed, it is open to the Applicant to withdraw her application if (for example) the parties are able to agree on the appointment of a managing agent as distinct from a Tribunal-appointed manager. However, on the assumption that the Applicant does still want the Tribunal to appoint a manager the following directions shall apply.
- 51. By **26<sup>th</sup> October 2016** the Applicant and the Main Respondents shall each write to the other with details of their (single) proposed manager, to include (i) a written statement of the proposed manager's residential management experience, (ii) the proposed manager's draft management plan, proposed remuneration and professional indemnity insurance details and (iii) confirmation that the proposed manager is willing to be appointed and will comply with the current edition of the Code of Practice published by the Royal Institution of Chartered Surveyors.
- 52. On or before **9<sup>th</sup> November 2016** the parties shall come to a decision as to whether they wish to put forward one of the two proposed managers as their jointly preferred manager or whether they wish the Tribunal to consider both proposed managers.
- 53. If the parties decide to put forward a single jointly preferred manager, the parties shall liaise with each other and send to the Tribunal on or before **23<sup>rd</sup> November 2016** the items listed in paragraph 51 above in relation to that proposed manager together with a draft management order. The draft management order shall also be supplied electronically as a Word attachment.
- 54. If the parties decide that they wish the Tribunal to consider both proposed managers, each party shall in respect of its proposed manager send to the Tribunal on or before **23<sup>rd</sup> November 2016** the items listed in paragraph 51 above in relation to the relevant proposed manager together with a draft management order. The draft management order shall also be supplied electronically as a Word attachment.
- 55. There shall then be a hearing at 10 Alfred Place, London WC1E 7LR for the Tribunal to determine whether to appoint the manager proposed by the Applicant or the manager proposed by the Main Respondents or whether not to appoint either of them. The hearing shall start at 10am on a date to be decided and is expected to last for <sup>1</sup>/<sub>2</sub> day if one jointly preferred manager is put forward or for <sup>1</sup>/<sub>2</sub>

to  $^{3}4$  of a day if the parties wish the Tribunal to consider both proposed managers. The parties shall email the case officer **as soon as possible** with details of the dates between 7<sup>th</sup> **and 16<sup>th</sup> December 2016** AND the dates between 4<sup>th</sup> **and 31<sup>st</sup> January 2017** on which they are **unavailable** to enable the case officer to fix the hearing date.

56. The proposed managers or the jointly preferred manager (as the case may be) must attend the hearing.

### **Cost applications**

- 57. In the unusual circumstances of this case, namely that one of the freehold owners is making an application to which all of the freehold owners are the Respondents, both parties have applied for a section 20C order. This is an order that the freehold owners as joint landlords may not include in the service charge any costs, or a proportion of the costs, incurred in connection with these proceedings.
- 58. In our judgment it would be just and equitable in all the circumstances to make both section 20C orders and to order that neither the Applicant (in her capacity as one of the joint landlords) nor the Main Respondents may include in the service charge any costs incurred by them in connection with these proceedings. In relation to the Main Respondents, the Tribunal has concluded that circumstances exist to make it just and convenient in principle to appoint a manager, and whilst the reasons are not straightforward the Main Respondents must take a significant share of the blame for having allowed this situation to have arisen. As regards the Applicant, first of all it is highly questionable whether the costs incurred by her in relation to this application were incurred in her capacity as landlord such that the costs could be put through the service charge. In any event, the Applicant must also take her share of the blame for having allowed this situation to have arisen. In the circumstances we consider it appropriate to order pursuant to section 20C of the 1985 Act that neither the Applicant nor the Main Respondents can include in the service charge any costs incurred in connection with these proceedings.
- 59. Both parties have also applied for an order that the other party reimburse its costs in connection with this application pursuant to rule 13(1)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013. The relevant part of Rule 13(1)(b) states that *"the Tribunal may make an order in respect of costs only - ... (b) if a person has acted unreasonably in bringing, defending or conducting proceedings in ... (ii) a residential property case"*.
- 60. In the case of *Ridehalgh v Horsfield (1994) 3 All ER 848* Sir Thomas Bingham MR described the acid test of unreasonable conduct in the context of a cost application as being whether the conduct admits of a reasonable explanation. This formulation was adopted by the Upper Tribunal (Lands Chamber) in the case of *Halliard Property Company Ltd v Belmont Hall and Elm Court RTM Company Ltd LRX 130 2007.* It was also considered recently by the Upper Tribunal (Lands Chamber) in *Willow Court Management Company (1985) Limited v Mrs Ratna Alexander (2016) UKUT 0290.* Costs are not to be routinely awarded pursuant to a provision such as Rule 13(1)(b) merely because there is some evidence of imperfect conduct at some stage of the proceedings.

- 61. In the present case the Applicant argues that the Main Respondents should reimburse her legal costs because the Main Respondents served their witness statements late and therefore did not fully comply with the Tribunal's directions. At the same time, the Main Respondents argue that the Applicant should reimburse their legal costs because in their view she did not properly consider their suggestions for resolving matters and just ploughed on with her application.
- 62. We do not accept that either party's conduct has come even close to being sufficiently unreasonable to pass the necessary test. Whilst compliance with directions is important and there are possible sanctions for non-compliance, the degree of non-compliance by the Main Respondents was not sufficiently serious to justify a penalty cost award. As regards the Applicant's conduct in bringing the case, it is clear that relations between the parties broke down a long time ago and it seems to us that it was perfectly reasonable in the circumstances for the Applicant to apply for the appointment of a manager. Therefore, we decline to make an order that either party must reimburse all or part of the other party's costs under Rule 13(1)(b).
- 63. There were no other cost applications.

Name:Judge P KornDate:28th September 2016

### **RIGHTS OF APPEAL**

- A. If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber) a written application for permission must be made to the First-tier Tribunal at the regional office dealing with the case.
- B. 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.
- C. If the application is not made within the 28 day time limit, such application must include a request for extension of time and the reason for not complying with the 28 day time limit; the Tribunal will then look at such reason and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
- D. 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.

## Appendix - relevant legislation

## Landlord and Tenant Act 1987

### Section 22

(1) Before an application for an order under section 24 is made in respect of any premises to which this Part applies by a tenant of a flat contained in those premises, a notice under this section must ... be served by the tenant on (i) the landlord and (ii) any person (other than the landlord) by whom obligations relating to the management of the premises or any part of them are owed to the tenant under his tenancy.

## Section 24

- (1) A tribunal may, on an application for an order under this section, by order (whether interlocutory or final) appoint a manager to carry out in relation to any premises to which this Part applies (a) such functions in connection with the management of the property, or (b) such functions of a receiver, or both, as the tribunal thinks fit.
- (2) A tribunal may only make an order under this section ... (a) where the tribunal is satisfied (i) that any relevant person ... is in breach of any obligation owed by him to the tenant under his tenancy and relating to the management of the premises in question ... and (iii) that it is just and convenient to make the order in all the circumstances of the case ... or (b) where the tribunal is satisfied that other circumstances exist which make it just and convenient for the order to be made.

.....