

FIRST-TIER TRIBUNAL PROPERTY CHAMBER (RESIDENTIAL PROPERTY)

Case Reference

: LON/00AP/LVM/2017/0007

Property

188 Albert Road London N22 7AH

Applicant

Residential Management Group

Limited

Representative

: Mr T Gallivan

Respondent

Dr A Sinclair and Mr M Graham joint freeholders and leaseholders

of Flat 6

In attendance

Miss A Minhas AIRPM AssocRICS

Mr T Ullam

Type of Application

Variation of Order for the Appointment of a Manager

Tribunal Members

Mrs E Flint DMS FRICS

Mr M Taylor FRICS

Date and venue of

decision

8 August 2017

10 Alfred Place, London WC1E 7LR

Date of Decision

: 14 August 2017

DECISION

Decisions of the tribunal

(1) The Order for the Appointment of a Manager is hereby varied as set out below at paragraph 17.

The application

- 1. On 20 July 2016, the Tribunal appointed Mr Terna Ullam of Residential Management Group Limited (RMG) as manager of the property in place of Mr James McCaghy who had resigned his position within the company. The Tribunal extended the period of the order to expire on 19 July 2019. Mr Ullam has resigned from his position with RMG and is either unwilling or unable to continue as manager of the property.
- 2. The Applicant is applying under clause 24(9) of the Landlord and Tenant Act 1987 for the Order to be varied by appointing Miss Archi Minhas of RMG in place of Mr Ullam. No other variations of the Order are sought.
- 3. The relevant legal provisions are set out in the Appendix to this decision.

Applicant's comments

- 4. Mr Gallivan, counsel for the Applicant, confirmed that the freehold had changed hands and that it was now owned by 188 Albert Road Freehold Limited following a collective enfranchisement by the remaining long leaseholders. He confirmed that all the long lessees had been hand delivered copies of the bundles at their correspondence addresses as none of the long lessees resided at the premises except Mr Graham and Dr Sinclair.
- 5. Mr Gallivan referred to the letter dated 5 August 2017 from Barnett Alexander Conway Ingram LLP who are instructed on behalf of the new freeholders. It was stated in the letter that the new freeholders intended to appoint a new manager, that they objected to the continued appointment of a manager by the tribunal and requested that the existing order be discharged. It was also stated that it had been difficult for the freeholders to make contact with the Applicant.
- 6. Mr Gallivan said that it was insufficient to suggest that the management order should be discharged simply because the identity of the freeholder had changed. In the present instance some of the shareholders in the freehold company had previously been involved in the ineffective management of the building via the Right to Manage Company which had resulted in the appointment of a Manager by the Tribunal in 2014. Mr Graham and Dr Sinclair, who are the only resident

long lessees, are concerned that if the order is discharged then there will be a reoccurrence of the events leading up to the 2014 Order. He noted that all the other flats in the building were owned by buy to let landlords.

7. In the circumstances, he sought the appointment of Miss Minhas in place of Mr Ullam. No other amendments to the Order were sought. If the remaining time frame was insufficient to complete the roof works then RMG could return to ask for an extension.

Respondents comments

- 8. Mr Graham said that they were very concerned about the roof. He said that the roof needed to be sorted out especially as there were problems with the roof previously when the building was managed by the RTM company. The building needed to be managed by someone of Miss Minhas's experience. Mr Graham said that he agreed with everything counsel had said and asked if it would be possible to extend the Order to expire in three years to ensure that the roof is sorted out.
- 9. Dr Sinclair confirmed her concern regarding the roof which she said had previously had a very poor repair carried out. More recently one of the tenants had carried out electrical work, including trunking in the common parts without any notification to the managing agents or themselves; she was concerned from a health and safety point of view. She considered that the management of the building was significantly better since RMG took over. There was an enormous difference: she felt much safer now that there are Health and Safety and Fire risk assessments made.

The proposed manager

- 10. Miss Minhas explained that Mr Ullam had resigned and left his employment with RMG. She is an associate Director of RMG, has over 10 years post-graduation experience in property management and heads a team of six property managers of varying experience. Her team manages about 70 properties comprising about 3,000 units. She attends all Directors' meetings, deals with contentious issues, complaints and queries from her team. She is a hands-on manager. She has not been appointed a manager by the tribunal in respect of any other building.
- 11. She has been actively involved in the management of the block since joining RMG in 2016 during which time the fencing to the front and rear of the property has been replaced; a contribution from the neighbour of £3500 was negotiated which reduced the charge to the service charge account. The asbestos in an external cupboard had been successfully completed since she became involved.

- 12. Miss Minhas explained that there had been difficulties regarding carrying out internal redecorations due to dampness on an internal wall caused by leaks in Flat 1. She confirmed that where a lessee continues to be uncooperative she would look at the lease terms to find out what further steps she could take, for example serve notice on the lessee, carry out the necessary repairs and re-charge the cost of the works to that lessee. There was currently an issue regarding the condition of the window frames in Flat 1 which had been highlighted in the Health and Safety risk assessment. She would look to taking further action to remedy the situation.
- 13. Miss Minhas acknowledged that there is a problem with the roof following failure of a previous repair carried out several years ago. She was of the opinion that if she were appointed for the remainder of the term of the current appointment there would be sufficient time to deal with the roof.
- 14. Miss Minhas disputed the allegation that she had been difficult to contact and said the real problem was getting in touch with some of the non-resident lessees.
- 15. Mr Ullum said that he had been an employee of RMG from November 2015 to March 2017. He had been appointed as manager of the block in July 2016. The replacement fencing started during that period but was completed after he had left. He was aware of the problems of dampness from Flat 1 and was surprised that this was still an ongoing issue.
- 16. Prior to his departure he had visited the property with Miss Minhas as part of his handover of the management of the property, they had met the surveyors dealing with various matters at the building and the freeholders. He was aware that she already had a relationship with some of the lessees.

The tribunal's decision

17. The tribunal determines that the order should be varied by the replacement of Mr Terna Ullam by Miss Archi Minhas.

Reasons for the tribunal's decision

- 18. The Tribunal note that Mr Ullam is no longer able to manage the property. The building cannot manage itself; there are clearly ongoing repair issues and no one has proposed an alternative manager. It is insufficient for the new owners to state that they intend to appoint a manager, there is a void which require to be filled.
- 19. The Tribunal is satisfied that Miss Minhas has the requisite knowledge and experience of both property management in general and this

Appendix of relevant legislation

Landlord and Tenant Act 1987

Section 24

- (9) The appropriate tribunal may, on the application of any person interested, vary or discharge (whether conditionally or unconditionally) an order made under this section;
- (9A) the tribunal shall not vary or discharge an order under subsection (9) on the application of any relevant personunless it is satisfied—
- (a)that the variation or discharge of the order will not result in a recurrence of the circumstances which led to the order being made, and
- (b)that it is just and convenient in all the circumstances of the case to vary or discharge the order.