



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

**Case Reference** : MAN/00BS/OAF/2017/0010

**Property** : Flat 6, Laurel Court, Laurel Road,  
Stockport SK4 4PP

**Applicant** : Mr.D.G.Herne

**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** : Judge C Wood  
Ms D Latham

**Date of Decision** : 25 July 2017

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**CORRECTION CERTIFICATE**

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## **Correction Certificate**

- 1. This is a certificate under the powers conferred on the Tribunal by Rule 50 of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013 to correct clerical or accidental errors that have been discovered in the abovementioned Decision.**
  
- 2. The following amendment is made to the decision dated 25 July 2017:**

Paragraph 1 of the decision is amended to "Term: a term of 188 years and 6 months which started on 24 August 1977 and which is to end on 21 December 2165, both dates inclusive".

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**DECISION**

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## ORDER

1. The Tribunal orders that the terms of the new lease to be granted to the Applicant pursuant to the order of Stockport County Court dated 6 May 2017 in claim number DOOSK343 are:

Term: a term of 90 years which started on 24 August 1977 and which is to end on 21 December 2165, both dates inclusive

Premium to be paid into court: £12,521.00 (Twelve thousand five hundred and twenty-one pounds)

Management: 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 dated 24 August 1977 and made between Blandmere Limited (1) and D.G.Herne (2), ("the Lease").

Lessee's covenants: 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 per the draft lease attached to this order.

2. Prior to grant of the lease, the Applicant shall pay compensation in the sum of £187 to Blandmere Limited as the Intermediate Landlord.

## REASONS

1. The Applicant holds Flat 6 Laurel Court, Stockport ("the Property") on the terms of 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 8 March 2017 the Applicant applied to the Stockport County Court pursuant to section 50 of the Act. He 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 his application the Applicant lodged a valuation report prepared for him by Mr Steven Purcell MRICS dated 24 February 2017.
6. On 26 June 2017 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 Purcell were in all respects acceptable, and his valuation of the Competent Landlord's interest until 21 December 2075 at £12,521 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 Purcell valued this loss at £187, 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.

DATED \_\_\_\_\_ 2017

WILLIAM WARDLE (BUILDERS)LIMITED  
and  
BLANDMERE LIMITED  
and  
DOUGLAS GEORGE HERNE

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**PRESCRIBED CLAUSES**

**LR1. Date of lease**

[DATE]

**LR2. Title number(s)**

**LR2.1 Landlord's title number(s)**

GM 173195 and CH72690

**LR2.2 Other title numbers**

GM 120619

**LR3. Parties to this Lease**

**Landlord**

WILLIAM WARDLE (BUILDERS) LIMITED A DISSOLVED COMPANY  
BLANDMERE LIMITED

**Tenant**

DOUGLAS GEORGE HERNE

FLAT 6 LAUREL COURT

LAUREL ROAD

HEATON MERSEY

STOCKPORT

**Other parties**

None

**LR4. Property**

In the case of a conflict between this clause and the remainder of this Lease then, for the purposes of registration, this clause shall prevail.

See the definition of "Property" in clause 1.1 of this Lease and clause F of the recitals and the third schedule of the Lease.

**LR5. Prescribed statements etc.**

LR5.1 Statements prescribed under rules 179 (dispositions in favour of a charity), 180 (dispositions by a charity) or 196 (leases under the Leasehold Reform, Housing and Urban Development Act 1993) of the Land Registration Rules 2003.

This Lease is granted under section 56 of the Leasehold Reform, Housing and Urban Development Act 1993.

LR5.2 This Lease is made under, or by reference to, provisions of:

None.

**LR6. Term for which the Property is leased**

The term as specified in this Lease at clause 1.1 in the definition of "Term".



LR7. Premium

[                    ]

LR8. Prohibitions or restrictions on disposing of this Lease

[This Lease contains a provision that prohibits or restricts dispositions.]

LR9. Rights of acquisition etc.

LR9.1 Tenant's contractual rights to renew this Lease, to acquire the reversion or another lease of the Property, or to acquire an interest in other land

None.

LR9.2 Tenant's covenant to (or offer to) surrender this Lease

None.

LR9.3 Landlord's contractual rights to acquire this Lease

None.

LR10. Restrictive covenants given in this Lease by the Landlord in respect of land other than the Property

None.

LR11. Easements

LR11.1 Easements granted by this Lease for the benefit of the Property

The easements included in clause 1.1 of this Lease in the definition of "Incorporated Terms" and specified in the fourth schedule of the Lease.

LR11.2 Easements granted or reserved by this Lease over the Property for the benefit of other property

The easements included in clause 1.1 of this Lease in the definition of "Incorporated Terms" and specified in the fourth schedule of the Lease.

LR12. Estate rentcharge burdening the Property

None.

LR13. Application for standard form of restriction

None.

LR14. Declaration of trust where there is more than one person comprising the Tenant

## PARTIES

- (1) WILLIAM WARDLE (BUILDERS) LIMITED a dissolved company incorporated and registered in England and Wales with company number 00816274 (the "Landlord"); and
- (2) BLANDMERE LIMITED a company incorporated and registered in England and Wales with company number 01095121 whose registered office is situate at 3 Mellor Road, Cheadle, Stockport SK8 5AT ( the "Management Company" ) ; and
- (3) DOUGLAS GEORGE HERNE of Flat 6 Laurel Court, Laurel Road, Heaton Mersey Stockport SK4 4PP (the "Tenant").

## INTRODUCTION

- (A) The leasehold reversion to the Property is vested in the Management Company and is registered at HM Land Registry under title number GM173195.  
The residue of the term of the Lease is vested in the Tenant and is registered at HM Land Registry under title number GM 120619
- (B) The competent landlord for the purposes of the Leasehold Reform, Housing and Urban Developments Act 1993 is the Landlord.
- (C) The Landlord is dissolved and by order of the Stockport County Court D00SK343 dated 6 May 2017 the court ordered inter alia that the leasehold reversionary interest of the Landlord be vested in the court for the purposes of executing this deed.
- (D) The Tenant requires the grant of a new lease of the Property in accordance with the Tenant's rights under the Leasehold Reform, Housing and Urban Development Act 1993 and the Management Company have not objected to this.

## OPERATIVE PROVISIONS

### 1. Interpretation

The following definitions and rules of interpretation apply in this Lease.

#### 1.1 Definitions:

- |                           |  |
|---------------------------|--|
| <b>Annual Rent</b>        | a peppercorn, if demanded.   |
| <b>Incorporated Terms</b> | all of the terms, requirements, covenants and conditions contained in the Lease except to the extent that they are inconsistent with the clauses written in this Lease: <ol style="list-style-type: none"><li>(a) including:<ol style="list-style-type: none"><li>(i) the definitions and rules of interpretation in the Lease;</li><li>(ii) the agreements and declarations</li></ol></li></ol> |

- contained in the Lease;
  - (iii) the rights granted and reserved by the Lease (including the right of re-entry and forfeiture); and
  - (iv) the third party rights, restrictions and covenants affecting the Property.
- (b) but excluding any terms of the Lease which are specifically excluded by the terms of this Lease or substituted by the terms of this

Lease.

**Landlord's Covenants**

the obligations in this Lease, which include the obligations contained in the Incorporated Terms, to be observed by the Landlord.

**Lease**

the lease by virtue of which the Tenant holds the Property, which is dated 24 August 1977 and made between Blandmere Limited and Douglas George Herne for a term of years beginning on and including 24 August 1977 and ending on and including 21<sup>st</sup> December 2075 and registered at HM Land Registry under title number GM.120619.

**Premium**

**Property**

the property known as 6 Laurel Court, Laurel Road, Stockport, SK4 4PP as described in the Lease.

**Rent Payment Date**

25<sup>TH</sup> March

**Tenant's Covenants**

the obligations in this Lease, which include the obligations contained in the Incorporated Terms, to be observed by the Tenant.

**Term**

a term of years beginning on and including 2017 and ending on and including

1.2 References to the landlord, management company and tenant in the Lease shall be read as references to the Landlord, the Management Company and Tenant in this Lease.

**2. Grant**

2.1 In consideration of the Premium, the Landlord lets with limited title guarantee the Property to the Tenant for the Term at the Annual Rent.

2.2 The matters excepted and reserved by the Lease for the benefit of the Landlord are excepted and reserved for the benefit of the Landlord by this Lease.

2.3 This grant is made on the terms of this Lease which include the Incorporated Terms as if they were set out in full in this Lease.

2.4 The Tenant covenants with the Landlord that it will comply with the Tenant's Covenants.

2.5 The Landlord covenants with the Tenant that it will comply with the Landlord's Covenants.

### **3. The Annual Rent**

The Tenant shall pay the Annual Rent on or before the Rent Payment Date.

### **4. Leasehold Reform, Housing and Urban Development Act 1993**

4.1 This Lease is granted under section 56 of the Leasehold Reform, Housing and Urban Development Act 1993.

4.2 No long lease created immediately or derivatively by way of sub-demise under this Lease shall confer on the sub-tenant, as against the Landlord, any right under Chapter II of the Leasehold Reform, Housing and Urban Development Act 1993 to acquire a new lease. For this purpose, "long lease" shall be construed in accordance with section 7 of that Act.

4.3 At any time during the period of:

4.3.1 12 months ending with the term date of the Lease; or

4.3.2 five years ending with the term date of this Lease,

the Landlord may apply to the court for an order for possession of the Property on the basis that the Landlord intends to demolish, reconstruct or carry out substantial works of construction on the whole or a substantial part of any premises in which the Property is contained, and that the Landlord could not reasonably do so without obtaining possession of the Property. If the court makes such an order, the Tenant will be entitled to compensation from the Landlord for the loss of the Property.

### **5. Additional covenants by the Tenant**

5.1 The Tenant covenants with the Landlord and the Management Company to observe and perform the obligations set out in Schedule 6 of the Lease.

### **6. Covenants by the Management Company**

6.1 The Management Company covenants with the Landlord and the Tenant to observe and perform the obligations set out in Schedule 7 of the Lease.

**7. Registration of this Lease**

Following the grant of this Lease, the Tenant shall without delay apply to register this Lease at HM Land Registry. The Tenant shall ensure that any requisitions raised by HM Land Registry in connection with that application are dealt with promptly and properly. The Tenant shall send the Landlord official copies of the Tenant's title within one month of the registration being completed.

**8. Section 62 of the Law of Property Act 1925**

Neither the grant of this Lease nor anything in it confers any right over neighbouring property nor is to be taken to show that the Tenant may have any right over neighbouring property, and section 62 of the Law of Property Act 1925 does not apply to this Lease.

**9. Entire agreement**

9.1 This Lease constitutes the whole agreement between the parties and supersedes all previous discussions, correspondence, negotiations, arrangements, understandings and agreements between them relating to its subject matter.

9.2 Each party acknowledges that in entering into this Lease it does not rely on, and shall have no remedies in respect of, any representation or warranty (whether made innocently or negligently).

**10. Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this Lease shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Lease. This does not affect any right or remedy of a third party which exists, or is available, apart from that Act.

**11. Governing law**

This Lease and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

**12. Jurisdiction**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Lease or its subject matter or formation (including non-contractual disputes or claims).

**THIS AGREEMENT HAS BEEN ENTERED INTO ON THE DATE STATED AT THE BEGINNING OF IT.**

Executed as a deed by District Judge

.....

acting by order of the court dated

day of                    2017:

Signed as a deed by DOUGLAS  
GEORGE HERNE in the presence of:

.....

.....

[SIGNATURE OF WITNESS]

[NAME,            ADDRESS            AND  
OCCUPATION OF WITNESS]

Signed as a deed by a director of  
BLANDMERE LIMITED in the  
presence of:

.....

[SIGNATURE OF DIRECTOR]

.....

[SIGNATURE OF WITNESS]

[NAME,            ADDRESS            AND  
OCCUPATION OF WITNESS]