



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

<b>Case references</b>	:	<b>LON/00BG/LVM/2018/0018 LON/00BG/LVM/2019/0010 LON/00BG/LVM/2019/0013 LON/00BG/LVM/2019/0014 LON/00BG/LVM/2019/0016</b>
<b>Property</b>	:	<b>Canary Riverside Estate, Westferry Circus, London E14 (the “Estate”)</b>
<b>Parties</b>	:	<b>As identified in Appendix 2 to this decision.</b>
<b>Type of applications</b>	:	<b>Applications under section 24(9) of the Landlord and Tenant Act 1987 for the variation of a management order so as to discharge the current manager and to appoint a replacement manager</b>
<b>Tribunal</b>	:	<b>(1) Judge Amran Vance (2) Mr L Jarero, BSc FRICS</b>
<b>Venue</b>	:	<b>10 Alfred Place, London WC1E 7LR</b>
<b>Date of directions</b>	:	<b>18 June 2019</b>

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**REASONS FOR DECISION**

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## **Summary of the tribunal's decisions**

1. It is just and convenient, in all the circumstances, to vary the current Management Order to appoint a Manager to replace Mr Coates as the tribunal-appointed Manager of the Canary Riverside estate;
2. However, it is not just and convenient to appoint either: (a) Mr Jonathan Edwards; or (b) Mr Rendall and Mr Daver in his place.

## **Background**

3. Mr Alan Coates is, currently, the tribunal appointed manager of the residential properties, common parts, car parking spaces, and shared services in the mixed residential and commercial estate in Westferry Circus, at Canary Wharf, known as Canary Riverside (“the Estate”). The estate comprises parking on two underground levels with 325 residential apartments, a 5\* hotel, gym and swimming pool, retail and commercial units above ground. On the ground floor there are communal gardens and a tennis court for the exclusive use of the residential occupiers and the hotel.
4. He was appointed pursuant to the provisions of s.24 Landlord and Tenant Act 1987 (“the 1987 Act”). The Management Order under which he was appointed was initially made on 5 August 2016 (amended following a decision on review dated 15 September 2016) and was varied by the tribunal on 29 September 2017, 18 July 2018 and 12 April 2019.
5. At a three-day hearing, commencing on 4 June 2019, the tribunal heard an application by Mr Coates seeking his discharge as Manager (application LON/00BG/LVM/2019/0010) as well as the following applications, all seeking the appointment of a replacement Manager:
  - (a) an application made by Palm Trees Paradise Holdings Ltd (Palm Tree”), one of the leaseholders of several residential flats on the Estate, seeking the appointment of Mr Jonathon Edwards of Lambert Smith Hampton Group Limited (“LSH”) (LON/00BG/LVM/2018/0018);
  - (b) an application made by Canary Riverside Estate Management Limited (“CREM”) a head-lessor and the immediate landlord of the residential lessees on the Estate, seeking the appointment of Duncan Rendall and Richard Daver of Rendall & Rittner (LON/00BG/LVM/2019/0010);
  - (c) an application made by 68 leaseholders, owning 72 of the residential apartments, represented by the Residents Association of Canary Riverside (“RACR”) seeking the appointment of Mr Felix Keen of FirstPort Ltd (“FirstPort”) (LON/00BG/LVM/2019/0014);

6. In an earlier application, made on 17 May 2019, the leaseholders represented by RACR (“the Interested Leaseholders”) had, applied for Mr Bruce Maunder Taylor to be appointed as Mr Coates’s replacement. However, on 24 May 2019, RACR emailed the tribunal, and the other parties, stating that that the application was being withdrawn because of what they described as an “uncertainty” that might prevent Mr Maunder Taylor from accepting the appointment. We were subsequently informed that the uncertainty in question concerned his indemnity insurance. RACR made a fresh application, seeking Mr Keen’s appointment on 24 May 2019.
7. On 28 May 2019, Judge Vance indicated that although the time available before the forthcoming hearing was very short, as all leaseholders were aware of Mr Coates’ desire to step down as Manager, and that an alternative manager was being proposed, those leaseholders not represented by RACR were not unduly prejudiced by the short notice of the hearing of the applications made by CREM and the Interested Leaseholders. However, to the extent that it was necessary, he abridged time for notification of the hearing date under Rule 32(2)(b) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, given the urgent need to determine these applications.
8. The urgency is that Mr Coates’ application for his discharge was primarily based on his ill-health. All parties are agreed that this warrants his discharge as Manager and the appointment of a replacement Manager. All have indicated that they are working towards a 30 September 2019 handover date to a new Manager. Given that CREM’s counsel was unavailable in August, and given the tribunal’s members availability, a postponement of the hearing of these applications would mean that they would not be heard until late September 2019, which Judge Vance considered was not in the interests of Mr Coates, or the leaseholders as it would not have enabled an efficient and prompt handover.
9. At the hearing, Palm Tree were represented by Michael Pryor of counsel. CREM were represented by Justin Bates of counsel. Rebecca Cattermole, counsel, represented Mr Coates, and Mr Upton, counsel, represented Circus Apartments Limited (“CAL”) the long leaseholder of Eaton House, part of one of the residential buildings on the Estate. Ms Angela Jezard represented the Interested Leaseholders. All three proposed managers attended the hearing and were the subject of questioning by the tribunal, as well as cross-examination. Mr Coates was present on the morning of the first day of the hearing only.
10. Several witness statements had been served very shortly before the hearing. After hearing objections to reliance on all or part of the statements, we agreed to admit the following in evidence:
  - (a) paragraphs 1- 6, the first line of paragraph 7, and paragraphs 8 and 33- 38 of the witness statement of Jane Hewland, dated 30 May 2019. Ms Hewland is a residential lessee at 1 West India Quay (“1WIQ”), a leasehold building located very close to the Estate, which has, in common with the Estate, the same ultimate owner, Mr

John Christodoulou or a company with which he is associated. Of the paragraphs admitted, we considered paragraphs 33-38 directly relevant as it concerned an asserted conflict of interest in the appointment of Mr Rendall. The other paragraphs admitted were non-controversial. The paragraphs that were not admitted concerned allegations regarding the management of 1WIQ by Rendall & Rittner, and the former managers, Marathon Estates Limited. It was our view that those paragraphs should not be admitted, given that the witness statement was only served on 31 May 2019, and CREM and Rendall & Rittner had not had sufficient time in which to respond to the allegations made, unlike the conflict point of which CREM had advance notice, and which we considered Mr Bates and Mr Rendall were able to respond to;

(b) paragraphs 31-33 of the witness statement of David Ian Marsden, solicitor for CREM dated 3 June 2019. The paragraphs admitted concerned allegations regarding the financial position of FirstPort that we considered to be relevant to Mr Keen's proposed appointment. It was our view that Mr Keen, as a Director of FirstPort should have been able to respond to these allegations, at least in general terms. However, we allowed him the opportunity to rely upon a statement in response, which he emailed to the tribunal and the parties on 5 June 2019. As to remaining paragraphs of Mr Marsden's statement, these primarily concerned the withdrawal of Mr Maunder Taylor and allegations as to the motivation of CAL in becoming involved in the appointment of a replacement Manager. We did not consider these paragraphs to be of significant evidential value to the matters to be determined and excluded them;

(c) the witness statement of David Stevens, a partner at Norton Rose Fulbright, solicitors for CAL, dated 4 June 2019. This statement was served in response to Mr Marsden's statement of 3 June 2019, and questioned the independence of the report on which Mr Marsden's assertions regarding FirstPort's financial position were based. Mr Stevens also expressed concerns over the financial position of LSH. We admitted this short, six-paragraph, statement in evidence as we considered that as Mr Marsden's assertions regarding FirstPort's financial position were being admitted, it would not be procedurally fair to exclude it. However, we expressed our view that on the very limited information before us regarding the financial position of both FirstPort and LSH, it was unlikely that we would be able to form any view as to the financial viability of either company. In the event, there was no need for us to address this question.

11. Neither Ms Hewland, Mr Marsden, or Mr Stevens gave oral evidence at the hearing.

12. At the conclusion of the hearing, on 6 June 2019, all parties agreed that Mr Coates should be discharged as the Manager on the ground of ill-health, subject to conditions to be determined by the tribunal. We confirmed that

we were satisfied that he should be discharged for that reason, and that unless we ordered otherwise, he will be discharged with effect from 1 October 2019, the last day of his appointment being 30 September 2019.

13. We also directed that we would attend a site visit of the Estate on 12 June 2019, and that we would notify the parties as to our decision on the applications for the appointment of the proposed replacement Manager on 13 June 2019, with these written reasons to follow. We also directed that by 10 June 2019, RACR was to send to the tribunal and to each party who attended the hearing on 4- 6 June 2019, the results of a conflict check in relation to Mr. Keen's proposed appointment, as one had not yet been carried out.
14. At 08.57 on 11 June 2019, the day before our site inspection of the Estate, the tribunal received an email from RACR. In that email it was stated that Mr Keen had informed RACR that FirstPort has decided that it was no longer willing to support Mr Keen's appointment as the tribunal-appointed manager of the Estate. Below that email, was an email from Mr Keen to Ms Jezard dated 10 June 2019, in which it was explained that FirstPort's position was that: (a) as one criteria for appointment appeared to be that it should have no involvement with other persons or companies who have an interest at Canary Riverside, it was considered that taking on the appointment could constrain the potential future growth of Firstport's business; and (b) *"having witnessed first-hand the entrenched position of the parties, FirstPort also have grave concerns that we would be frustrated in delivering management services to Felix Keen in line with the terms of the Management Order"*.
15. The withdrawal of Mr Keen left two remaining proposed Managers to replace Mr Coates: (a) Mr Jonathan Edwards; and (b) Mr Rendall and Mr Daver.
16. The tribunal visited the Estate on 12 June 2019. Whilst Mr Jarero had previously carried out a site visit, Judge Vance had not. It was helpful for him to familiarise himself with the layout and condition of the Estate, but the visit has no bearing on this decision, and there is therefore no need to set out details of our inspection.

### **The Statutory Framework**

17. These applications are made pursuant to s.24(9) of the 1987 Act which provides that:
  - (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; and if the order has been protected by an entry registered under the Land Charges Act 1972 or the Land Registration Act 2002, the tribunal may by order direct that the entry shall be cancelled.
  - (9A) The tribunal shall not vary or discharge an order under subsection (9) on the application of any relevant person unless 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.

### **Mr Coates' application for discharge**

18. We determine that it is just and convenient to vary the Management Order to appoint a Manager to replace Mr Coates as the tribunal-appointed Manager of the Estate, given Mr Coates' ill health, as detailed in paragraphs 7 to 13 of his statement of case in support of his application for his discharge.
19. All parties concur that it is appropriate for him to be discharged for this reason and it is therefore unnecessary for us to specify details of his health in this decision. As a consultant has stated that his current work commitments are detrimental to his health in the short term and, in the longer term, increase the risk of a more serious complication, we consider that his appointment should terminate on 30 September 2019.

### **Mr Jonathan Edwards**

20. Mr Edwards' evidence, in summary, was as follows:

- (a) he has worked in the property management industry since 2004, and since 2008 has worked for the Countrywide Group ("Countrywide"). He works within Countrywide's residential management division, HLM, which recently transferred to Lambert Smith Hampton. He has undertaken various roles at Countrywide, including as a Property Manager; Area Manager and National Director of HLM. HLM's portfolio consists of 40,000 units, spread over 1,550 estates, comprising leasehold blocks, multi-use schemes, freehold estates as well as private rented sector developments. Since 2013, he has been HLM's National Director for Residential management, which has led to his involvement with the more complicated, high value, and unusual developments handled in its portfolio;
- (b) he is a member of AIRPM (Associate of Institute of Retail and Property Management), and IOSH (the Institution of Occupational Safety and Health);
- (c) he lives in Shrewsbury and works from an office in Shrewsbury, but, has daily contact with HLM's regional offices and attends weekly meetings in its London office;
- (d) he has twice been appointed by this tribunal as a manager: (a) at a 22-apartment development known as The Pottery, in Dartmouth, where his appointment expired on 17 December 2017; and (b) at Wantz Haven in Essex, a sheltered housing retirement scheme

comprising of 36 one and two-bedroom flats where his appointment is due to end on 31 December 2020;

- (e) whilst his previous experience as a tribunal-appointed manager is limited to these two small sites, in his time as a property manager he has been responsible for managing properties consisting of over 1000 units. He referred to LSH managing two mixed use developments, one at Bermondsey Square, London SE1 and the other at Leon House in Croydon, although his personal involvement with these developments was limited to setting up the budget and management plan for Leon House. He told us that no major problems have arisen in respect of either development;
- (f) his proposal, if he were appointed as Manager, was to appoint a dedicated member of their London property team (and an additional half a person) to handle management of the Estate, both of whom would report directly to him. If there was no accommodation available on site, the members of staff would work out of the Oxford Street office in London. However, he would be responsible for all aspects of management and would visit the Estate as often as needed, dealing with day to day management issues as necessary. If required, he would stay overnight in London. Administrative and facilities management support would be provided by the London office and credit control through their team in Hull;
- (g) he was conscious that one of the key problems a Manager would face would be dealing with the current cashflow problems, including the service charge shortfall identified by Mr Coates as amounting to £3.1 million and which has generated substantial litigation;
- (h) he was aware that the Manager is required to pay CREM £200,000 towards the costs of buildings' insurance on 1 October 2019. His proposal was to try and persuade CREM to accept payment of this sum in instalments.

#### Decision regarding Mr Edwards

21. We do not consider it just and convenient to appoint Mr Edwards as Mr Coates' replacement for the following reasons:

- (a) whilst we do not doubt that he is an experienced and competent residential property manager, we do not consider he has the experience necessary to take on this appointment. His experience as a tribunal-appointed manager is limited to two small developments, neither of which involved substantial management challenges. He is the only person in LSH to have been appointed as a tribunal manager and so would not be able to elicit the support of colleagues who have also performed that role. In addition, his only personal experience of managing a mixed-use development is extremely limited, namely setting up the budget and management plan for Leon House.

- (b) Ms Jezard submitted that Mr Edwards would be out of his depth in trying to manage the Estate, and with all due respect to him, we agree that this is likely to be the case. This is a complex mixed-use development, and one where a very large amount of litigation has ensued following Mr Coates' appointment, both in this tribunal, the Upper Tribunal (Lands Chamber), the County Court and the High Court. Any manager to be appointed by this tribunal must either have substantial experience of managing mixed-use developments of this nature or be able to otherwise satisfy us that he or she can meet such a challenge. We are not satisfied that Mr Edwards could do so;
- (c) in our assessment, he did not evidence a good grasp of what his role would be as a tribunal appointed manager. Whilst he recognised that it would be a personal appointment, rather than a company appointment, and that he derived his powers from the Management Order, when asked what he would do if faced with conflicting demands from the landlord and leaseholders, his response was that if negotiations failed, he would refer the matter to the tribunal. He did not appear to appreciate that it was for him, as the Manager, to make the required decision in such circumstances, and to only resort to the tribunal if directions were required as to the exercise of his functions under the Management Order, or where a variation of the Order was being sought;
- (d) despite Mr Edwards' assurance that he would stay in London as required, we doubt the practicalities of him being based in Shrewsbury, whilst seeking to personally manage an Estate of this complexity in London. This is a role that is likely to involve substantial personal contact with contractors, leaseholders, and other stakeholders involved with the Estate. It is not, in our view, just and convenient to appoint a Manager who is based in Shrewsbury, which as Mr Upton pointed out, is about a 2.5-hour train journey away from London.

### **Duncan Rendall and Richard Daver**

22. CREM's proposal is that this should be a joint appointment. We heard oral evidence from both Mr Rendall and Mr Daver. In summary, and to the extent necessary for this decision, their evidence was as follows:

- (a) Mr Rendall is the CEO and founder of Rendall & Rittner ("R&R"), a large and well-known estate management business. He has worked in property management since 1990 and has been appointed as a tribunal-appointed manager on several occasions. R&R manage over 60,000 properties in more than 500 developments, including a number of buildings close to the Estate. He is ARMA-Q accredited by the Association of Residential Managing Agents ("ARMA") and is regulated by the Royal Institution of Chartered Surveyors ("RICS"). He is a former chairman of ARMA and has substantial experience of managing large, mixed-use developments, including the Cascades



development, close to the Estate, Cumberland Court and City View House in London;

- (b) Mr Daver has no previous experience as a tribunal-appointed manager, but has over 30 years-experience as a property manager. This includes the setting up and running of new developments dealing with the management of large mixed-use estates, including the Royal Arsenal in Woolwich (currently 2,700 units which will grow to 5,000). His role with the Royal Arsenal is that of a Director, overseeing financial matters and dealing with some of the disputes that have arisen, but not day to day management;
- (c) both have previous knowledge of the Estate. Mr Rendall assisted CREM regarding issues that arose in the handover from the previous managing agents of the Estate, Marathon Estates Limited (“MEL”) to Mr Coates. Mr Daver has previous knowledge of the Estate having overseen its management between February 2004 and October 2006, as a director of the then managing agent, Gross Fine.
- (d) R&R’s proposal is that Mr Rendall and Mr Daver would split the Manager’s duties according to their individual expertise. Mr Daver indicated that he would deal with financial matters and Mr Rendall would lead in discussions with the landlord and would deal with legal matters. Day to day management issues that did not require their involvement would be handled by a senior property manager, supported by an assistant, both of whom would be based in R&R’s office in Aldgate, which is only 10 minutes away from the Estate on the Docklands Light Railway. Both would be under the direct guidance and supervision of Mr Rendall and Mr Daver. Assistance and support would be provided by a dedicated portfolio accountant, and R&R’s in-house teams, including financial, human resources, insurance and procurement personnel. Back office support would be provided from the Aldgate office. If necessary, use could also be made of accommodation in the several other buildings R&R manage in the area of the Estate, including 1W1Q and Landmark;
- (e) in its proposed management plan, R&R identified some of the immediate issues that are likely require attention, including a review of the service charge structure and budgets, to ensure that they mirror lease provisions; a financial reconciliation on handover from Mr Coates; a review of current service charge arrears and finances and TUPE arrangements for HML staff working on the Estate.
- (f) both Mr Rendall and Mr Daver stressed the importance of financial transparency and communication to build confidence with leaseholders. To help achieve this, R&R proposed quarterly service charge financial reports to leaseholders and CREM. Mr Daver stated that R&R would seek to understand why the landlord is in arrears of

service charges and the fact that R&R have a good working relationship with the landlord would assist with this. They would also try to ensure that the landlord recognised the importance of ensuring the Manager's financial stability, to protect his very valuable asset.

- (g) although they were not keen to do so, both Mr Rendall and Mr Daver confirmed that R&R would provide a requested £2 million guarantee to the current electricity supplier to the Estate, whose contract falls to be renewed in October. When asked by Mr Upton how R&R could provide a £2 million guarantee when it appeared to have only made a profit of £700,000 in the last financial year, Mr Rendall's response was that he would secure bank support, or assistance from private individuals. As to the buildings insurance payment that will be payable to CREM in October, Mr Rendall stated that if the funds available on handover from HML were insufficient to meet this obligation, R&R would issue service charge demands in advance. Given Mr Coates' confirmation that 60% of leaseholders pay without problem, and given that the Management Order allows for a float and for the Manager to borrow money, he was confident that this obligation would be met.

#### Decision regarding Mr Rendall and Mr Daver

23. Mr Rendall and Mr Daver's combined experience in property management, together with R&R's management portfolio of large and complex developments, warrants their serious consideration for appointment. In evidence, both demonstrated a good understanding of the role of a tribunal-appointed manager, and when it might be appropriate to seek specific directions from the tribunal. Both, but particularly Mr Daver, were persuasive when stressing the need for transparency as a way of to build trust and confidence with leaseholders and to improve relations with the landlord. Both demonstrated a good understanding of some of the immediate management issues that are likely to require attention and R&R had potentially workable solutions to the upcoming problems relating to the electricity contract and insurance payment due in October. However, we consider irreconcilable conflicts of interest exist, rendering it not just and convenient to appoint them as Manager of the Estate.
24. Mr Rendall is the CEO of R&R and Mr Daver is its managing director. Both confirmed that R&R manages 1WIQ for a company associated with CREM. Mr Upton submitted that R&R manages 1WIQ on behalf of the Yianis Group, of which CREM is a subsidiary company, and that the ultimate owner of each of Yianis Group, 1WIQ and the Estate, is Mr J Christodolou. This structure was not disputed by Mr Bates. R&R therefore act for the same ultimate landlord as the landlord of the residential lessees on the Estate, or one closely associated with it. In our judgment, this would give rise to an actual, or at the very least, potential, conflict of interest if Mr Rendall and Mr Daver were appointed as Manager of the Estate. It is a fundamental requirement of a s.24 appointment that a Manager is to act independently of the landlord. We consider that it is highly likely, given the

litigation history surrounding Mr Coates' management to date, as detailed in previous decisions of this tribunal and the Upper Tribunal, that Mr Rendall and Mr Daver, if appointed, would very quickly find themselves in a situation where their interests and obligations as an independent Manager would:

(a) conflict with the interests of their employer at 1WIQ; and

(b) compete with R&R's interests, financial, or otherwise, in retaining their engagement at 1WIQ.

25. As Mr Pryor pointed out, as Manager of the Estate, they would have to make decisions against the interests of companies and individuals very closely linked to the owner of 1WIQ, and to do so may jeopardise R&R's employment at 1WIQ. One such flashpoint may be the several ongoing claims relating to service charge arrears involving Mr Coates and Mr Christodolou, or companies with which he is associated, as detailed in a table contained in Mr Coates' witness statement dated 12 April 2019.

26. Both Mr Rendall and Mr Daver sought to reassure us that they would act independently, and that staff working on the management of the Estate would do so separately from those working on 1WIQ. Mr Daver emphasised that he is not personally involved in the management of 1 WIQ and that he does not manage any other properties within the Yiannis Group. Mr Rendall stressed that 1WIQ is his only management appointment on behalf of Mr Christodolou, the ultimate owner of both 1WIQ and the Estate, and that it would be contrary to RICS guidance for him to continue to act in a conflict situation. He stated that 1WIQ only accounted for a small amount of R&R's total income and so is not a major client (we both recorded as 1.6% of R&R's total base gross income, although Mr Bates subsequently said that the answer given was 0.6%).

27. Mr Rendall accepted that a situation might arise where he would need to resign from R &R's engagement at 1WIQ because he had to act against the landlord's interests. Our initial understanding of his evidence was that his reference to resignation in fact referred to resigning as Manager of the Estate if a conflict arose, but he later explained that he was referring to cessation of R&R's management of 1WIQ. He also highlighted the importance of R&R's reputation and it potentially had a lot to lose if their conduct was in any way improper. As evidence of his independence, Mr Daver highlighted that he previously acted against the Yiannis Group, on behalf of the landlord of Beetham Tower in Manchester and achieved a successful outcome.

28. We see no reason doubt Mr Rendall's and Mr Daver's professionalism, or their intention to act as an independent Manager, if appointed. However, in our view, there is too great a risk that their professional judgement or actions in their role as Manager would be unduly influenced by a secondary interest, namely R&R's engagement at 1WIQ. We consider that risk exists, regardless of the actual amount of income R&R receive from 1WIQ.

29. Even if our concerns over an actual or potential conflict of interest are unwarranted, both Mr Rendall and Mr Daver recognised that a large number of leaseholders, those represented by RACR, are hostile to their proposed appointment, and that those leaseholders perceive them as being conflicted. Ms Jezard made it clear in her submissions that this perceived conflict of interest exists not only because of R&R's current employment at 1WIQ, but also because of Mr Rendall's previous role in assisting CREM in the handover to Mr Coates. The Interested Leaseholders' statements of case, and Ms Jezard's witness statement dated 10 May 2019, set out numerous allegations concerning the landlord's failure to co-operate with the handover to Mr Coates and subsequent obstruction of his management of the Estate.
30. It is important to remember that this is a fault-based jurisdiction, and Mr Coates' appointment was intended to be curative following the past poor management of the Estate. In our view, the fact that Mr Rendall was previously engaged by CREM in relation to the handover to Mr Coates, and R&R's current engagement at 1WIQ, means that it would be extremely difficult, if not impossible, for Mr Rendall and Mr Daver to build up a relationship of trust and confidence with those leaseholders. That would, in our view, be the case even if R&R decided to withdraw from its management of 1WIQ at some later date.
31. Because of: (a) the real risk of an actual or potential conflict of interest arising; (b) the perception of a large number of leaseholders that a conflict of interest already exists; and (c) the difficulties that Mr Rendall and Mr Daver would face in seeking to build a relationship of trust and confidence with leaseholders, we do not consider it would be just and convenient to appoint Mr Rendall and Mr Daver as Manager of the Estate.
32. In light of this decision, it is not necessary for us to consider whether the appointment of Mr Rendall and Mr Daver would breach the prohibition in s.24(9A) of the 1987 Act that prevents the tribunal from appointing a manager where to do so would result in a recurrence of the circumstances that led to the order being made.
33. Nor is it necessary for us to address Mr Upton's submission that the proposition in *Lewin v Nuel* (unreported, LON/00BK/LAM/2006/0023 LVT) is correct and that, all things being equal, a preference ought to be given to the tenants' nominee for the position of manager, over a rival candidate proposed by the landlord. We do, however, recognise the force of that submission and whilst not forming part of our decision, it is our view that given that the purpose of appointing a manager is to cure a default in management of a premises, most commonly by a landlord, if all things are equal, and there is no good reason to the contrary, preference should be given to a tenant's nominee over a manager proposed by a landlord.

### **Next Steps**

34. The tribunal notified the parties of this decision on 13 June 2019, and at the same time issued directions that included provision for any interested

person to propose an alternative Manager by 27 June 2019. Any proposals received are to be considered at a hearing listed for Monday 8 July 2019.

35. Given our concerns over Mr Coates' health, we consider his appointment must end on 30 September 2019. It is therefore critical that any party proposing a manager to replace him ensure that sufficient information is presented to us to consider that appointment. Given the need for a handover period before Mr Coates' steps down, the hearing on 8 July 2019 may be the last opportunity for the tribunal to hear from the proposed replacement managers and to determine their suitability for appointment.

Amran Vance

18 June 2019

## **Annex - 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).

**Appendix 2**

**Parties involved in the various applications**

**LON/00BG/LVM/2018/0018**

**BETWEEN**

**Palm Trees Paradise Holdings Limited**

**Applicant**

**and**

**Mr Alan Coates**

**Respondent**

**and**

**(1) Various leaseholders represented by the Residents  
Association of Canary Riverside**

**(2) Yianis Hotels Limited**

**(3) Mr J Christodoulou**

**(4) YFSCR Limited**

**(5) Canary Riverside Estate Management Limited**

**(6) Circus Apartments Limited**

**(7) Westminster Management Services Limited**

**(8) Everest Investments Trading Limited and Hermitage  
Lane Investments Limited**

**LON/00BG/LVM/2019/0010**

**BETWEEN**

**Mr Alan Coates**

**Applicant**

**and**

**(1) Octagon Overseas Limited**

**(2) Canary Riverside Estate Management Limited**

**Respondents**

**and**

**(1) Various leaseholders represented by the Residents  
Association of Canary Riverside**

- (2) Yianis Hotels Limited
- (3) Mr J Christodoulou
- (4) YFSCR Limited
- (5) Circus Apartments Limited
- (6) Westminster Management Services Limited
- (7) Everest Investments Trading Limited and Hermitage Lane Investments Limited
- (8) Palm Trees Paradise Holdings Limited
- (9) Ms Eugenie Vrettos
- (10) A Fresh Start Ltd

**Interested Persons**

**LON/00BG/LVM/2019/0013**

**BETWEEN**

**Canary Riverside Estate Management Limited**  
**Applicant**

**and**

**Mr Alan Coates**  
**Respondent**

**LON/00BG/LVM/2019/0014**

**BETWEEN**

**Various leaseholders represented by the Residents Association  
of Canary Riverside**  
**Applicant**

**and**

**(1) Octagon Overseas Limited**  
**(2) Canary Riverside Estate Management Limited**  
**Respondents**

**LON/00BG/LVM/2019/0016**

**BETWEEN**



**Various leaseholders represented by the Residents Association  
of Canary Riverside**

**Applicant**

**and**

**(1) Octagon Overseas Limited**

**(2) Canary Riverside Estate Management Limited**

**Respondents**