

Service charge & repairing covenant dispute with a major high street groceries retailer

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Overview:

We were instructed by the landlord of a large development which was comprised of residential blocks, commercial units and small scale industrial units.

The main issue related to service charges owed by a superstore which amounted to approximately £200k.

Early in the case, it became apparent that the retailer was withholding payment of service charge on the basis that they felt the landlord had breached their repairing covenant, specifically in relation to the repair of the roof of the superstore in question.

In essence, the issue related to whether the structure of the roof was fit for purpose and/or whether this breached the landlord's repairing covenant.

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Outcome:

Following a 2 year dispute, involving repairing covenant, disrepair, inherent defects, forfeiture, waiver of covenants and service charge generally, the matter settled before trial on favourable terms with an immediate payment of 75% of the service charge and permitted recovery of the landlord's costs.

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