

Damages for interference with property rights

The High Court has recently awarded damages of £448,553 (including exemplary damages of £60,000) against a business that absorbed part of its neighbour's property (a store room for an Indian restaurant) into its own property, blocking a fire escape and preventing it using a function room. The court stated that the misappropriation of the store room was "one of the worst examples of its kind". In this case, the defendant bricked up the door to the store room from the neighbour's property and incorporated the store room into a flat that was being constructed by the defendant. The defendant ignored the neighbour's protests and only later asked its solicitors to check who owned the store room.

Exemplary damages are awarded in excess of a claimant's loss and are intended to punish the defendant. In this case, the award was made to deter the defendant from repeating the same behaviour, as the court felt that making the business account for its modest profits of £20,000 was not a sufficient deterrent. The court also wanted to award damages at a level that would have a significant impact on the defendant, whose weekly income was estimated at £60,000.

The overriding message from this decision is that ignoring the rights of the beneficial property owner can be very costly. If you are intending to carry out the development works, you should check that you actually own all of the land required for the development. The case was *Ramzan v Brookwide (2010)*.

This is only a brief summary of the case and is not intended as legal advice. If you would like further information please contact Alan Lodge on 024 7623 4205 or alanl@n-v.co.uk